



DENTON COUNTY
TRANSPORTATION
AUTHORITY



Operating &
Capital Budget

2024

Operating & Capital Budget Fiscal Year 2024



Denton County Transportation Authority
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DENTON COUNTY
TRANSPORTATION
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Our Mission

We are committed to improving mobility, air quality, economic development and livability in the areas we serve.

Our Vision

To be a leader in advancing public transportation alternatives.

FY24 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 quality of life**

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 its 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, 2022

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, 2022. FY 2023 is the 17th year that DCTA has received the award.

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



Operating &
Capital Budget

2024



DENTON COUNTY
TRANSPORTATION
AUTHORITY

February 28, 2024

Board Chair and Members of the Board:

We are pleased to present to you the Fiscal Year 2024 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 in which current year revenues and reserves 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.

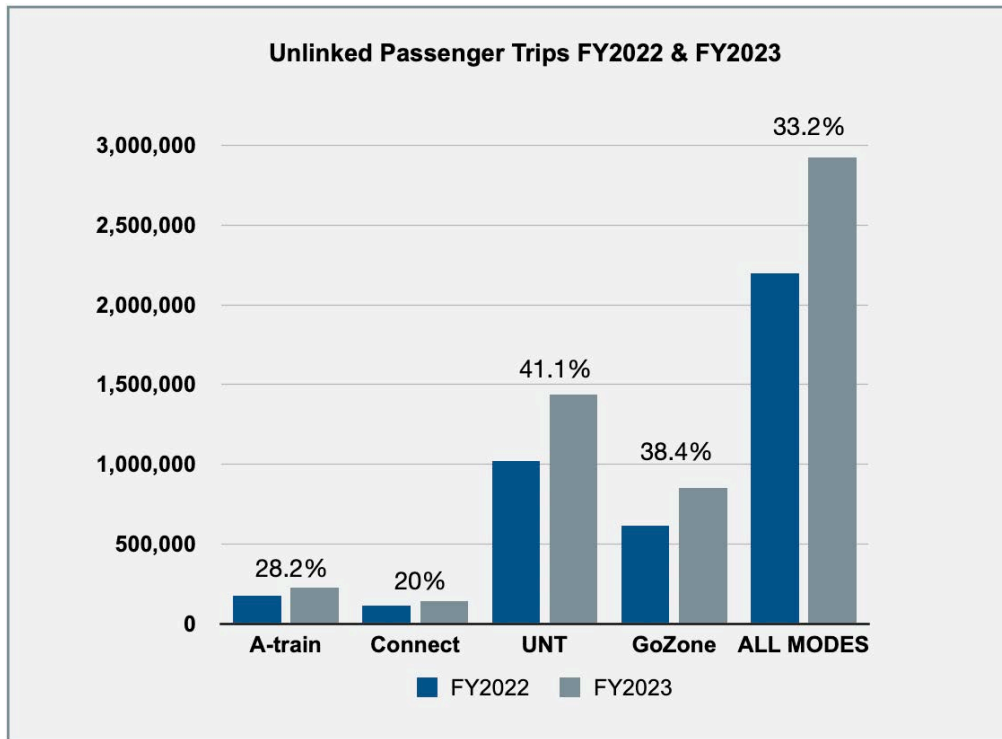
DCTA enters FY 2024 on very sound financial footing, with solid financial reserves, healthy revenue from local sales tax and slightly increased annual federal formula funds. In addition, fiscal prospects for the next three to five years illustrate the agency is able to withstand economic changes and challenges without a disruption to service. The approved operating, capital, and debt service budgets and year-end DCTA fund balance are:

Operating	\$50,182,453
Capital	\$35,703,929
Debt Service	\$1,992,299
Year-end 9/24 Fund Balance	\$69,102,877

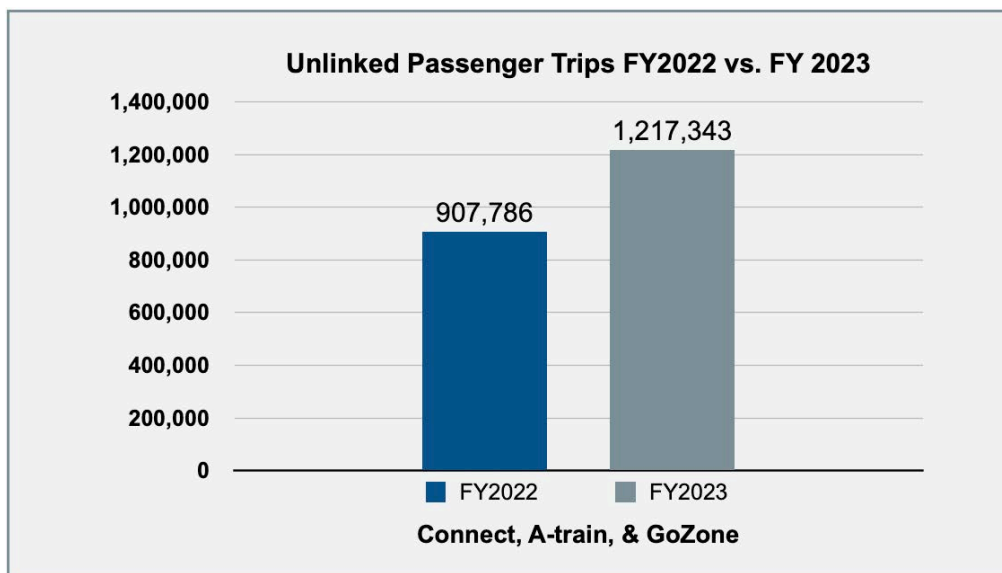
The DCTA Board of Directors makes policy for the organization that directs its future service offerings and geographies in which it operates and informs the approach to the development of the annual operating and capital budget. Every year, the budget process is structured to allow staff, the Board of 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 process 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 by balancing anticipated revenues with anticipated capital and operating expenses.

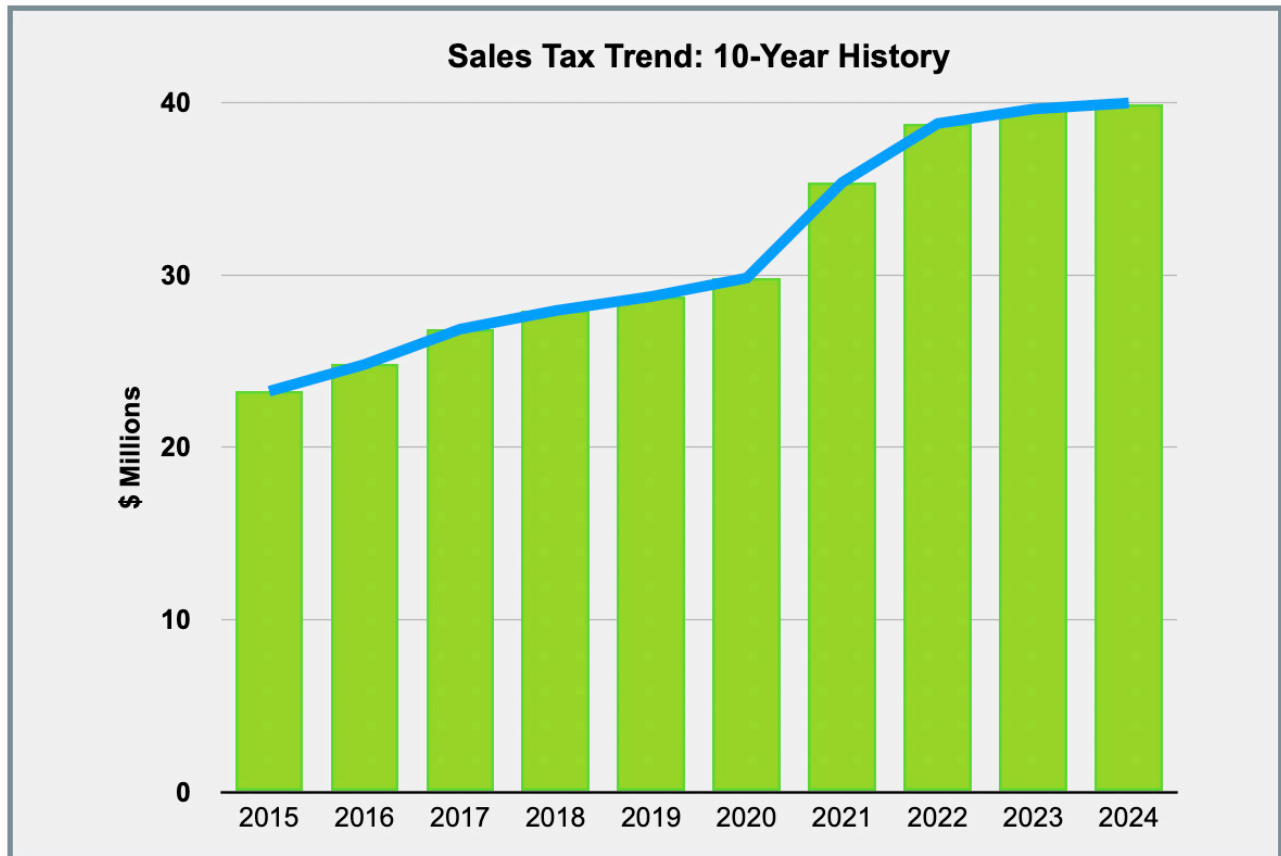
The proposed budget was first presented to the Board in a June Budget Workshop and a revised draft was provided for review and public comment at the Board's July meeting. The Board adopted the FY24 Operating and Capital Budget, the updated Long-Range Financial Plan, and the Budget Contingency Plan at the August 2023 meeting. The FY24 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 FY24 budget reflects DCTA’s efforts to continue to grow the exceptional value of public transit to the citizens of Denton County, our member cities, and the DFW region. The local and federal resources allocated in the FY23 budget enabled DCTA to continue to see healthy growth as we see overall numbers at or beyond pre-pandemic levels. The GoZone service and the UNT Campus Shuttle saw the largest ridership gains last year, consistent with regional and local student population growth. DCTA will continue to utilize data-driven metrics to optimize our modal offerings and move as many people as cost-effectively as possible.



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. It is important for DCTA to budget this figure conservatively to ensure service delivery can proceed as budgeted throughout the year. This year's budgeted sales tax figure is \$40M, up slightly from the FY23 budget which was \$39.6M.



DCTA's operating costs illustrate the agency 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 35% and 39%, respectively, between FY23 and FY24. However, these figures are also adjusted based on anticipated changes to service this year. For example, the UNT Campus Shuttle service is budgeted for an 14% fuel consumption increase, while 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. It is also important to note though these costs are fully reimbursable within our Bus and Rail operating contracts.

Our DCTA and NTMC employees are essential to our success as an agency. The organization was modified over the course of the year to ensure clear lines of responsibility and separation of duties. In the process, positions were trimmed from the organization or re-oriented to different functions. In the FY24 budget process, new positions were added to the organization to enable the agency to accomplish its objectives. The agency completed an aggressive hiring plan in FY 2023, filling about half of its open positions, which represent approximately one-third of the headquarters staff's authorized strength. We anticipate the agency to expeditiously complete its FY 2024 hiring plan, representing the final one-third of open positions, to bring the agency to full strength as soon as possible.

In addition, DCTA staff completed a compensation study to ensure competitive wages within a streamlined pay structure that was presented to the Board during the budget workshop. Within this structure, the FY24 budget includes a 5% cost of living increase for DCTA and NTMC employees as well as a merit compensation pool of up to 4% for DCTA employees.

The FY24 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 Campus 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 28% year over year (FY23 over FY22), and this year's budget continues the same level of service on the A-train. 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 FY24 budget contains a healthy capital maintenance budget of \$5.76M, reflecting the needs of an aging rail vehicle fleet. The budget also anticipates continued planning and design work to increase speed and frequency on the A-train and extending its reach to downtown Carrollton to meet the new DART Silver Line service, scheduled to come online in the late 2025 – 2026 timeframe. These projects would further enhance the value of the A-train by improving service to increase ridership and by making it even more effective as a local and regional asset.

Connect

The Board's FY 2022 investment in additional frequency on Connect Routes 6 & 7, bringing those routes to 20-minute peak headways, yielded significant ridership growth across the entire Connect Network. Overall, Routes 3, 6 & 7 saw a network ridership increase of 77% last year, up to 133,000 total trips. This budget continues the same level of service on Connect Routes 3, 6, and 7 to allow ridership growth on the bus network to continue. The Intermediate Service Plan in FY 2024 may yield recommendations for additional bus frequency investment, enabling the transition of GoZone riders in these areas to the bus network which can be a more cost-effective means to move passengers when ridership thresholds are met.

University of North Texas (UNT) Campus Shuttle

The University of North Texas Campus Shuttle service remains one of our largest ridership generators. Between FY21 and FY22 ridership more than doubled. Then between FY22 and FY23, we saw another 42% increase in ridership. This is due to increased enrollment and use of shuttle services at the University trending up. The FY 2024 budget contains an increased budget for additional UNT Campus Shuttle service, up 41% from FY 2023, which causes us to anticipate additional ridership growth on the service this year. We anticipate the Intermediate Service Plan process this year will yield important data about the use of GoZone in the vicinity of the campus and many of the UNT Campus Shuttle routes, which could generate recommendations on how to continue optimizing the mix of GoZone and fixed route service deployed in Denton.

GoZone / Microtransit

DCTA is focused on enhancing safety, improving customer service, and increasing ridership in FY24 and beyond. Micro-transit is an on-demand, curb-to-curb service that provides an effective solution for the unique needs of our member cities, which are relatively low-density and suburban and can be challenging 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. GoZone, a microtransit service, saw ridership increase 38% to 853,400 rides last year. This year's budget funds the same level of service on the DCTA system, and we expect that ridership will stay generally consistent on the service this year. While the system may continue to optimize and generate incremental gains in productivity, the service's capacity is generally fixed by the number of vehicles deployed across the service area.

DCTA also operates several contracted services utilizing a microtransit model. The FY24 budget features continued funding of micro-transit solutions in Coppell, Frisco and Alliance continuing successful relationships with those cities and Trinity Metro, in the case of Alliance. These services help riders get to work and other essential appointments.

Vanpool

DCTA's Vanpool program serves seven counties in the DFW metroplex. The service realized a 4% ridership increase from 2022 to 2023, totaling over 239,000 trips. The Vanpool operating budget provides funding to accommodate additional growth in the program at 100% grant reimbursement to DCTA.

TRiP Program

The Transportation Reinvestment Program (TRiP) facilitates 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. This important program will also continue this year, its fourth year of five initially authorized. The anticipated annual TRiP budget will be set at 15% 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

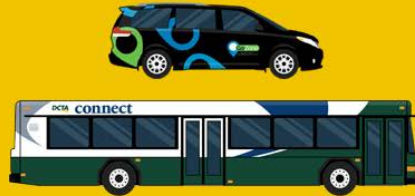
Sherrelle Evans-Jones, CPA
Chief Financial Officer

Jane Filarowicz
Senior Manager, Budget

Foundational Benefits

Foundation

Core services delivered into three member cities: Denton, Lewisville and Highland Village



Highly engaged in two of the fastest-growing counties in the United States:

- Denton County: 4th
- Collin County: 3rd



Contracted services delivered into neighboring cities of Coppell and Frisco, offering innovative mobility solutions to fit community needs



Dedicated and consistent financial stewardship, transparency and operational readiness

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 of which we are showing five years in this budget book. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

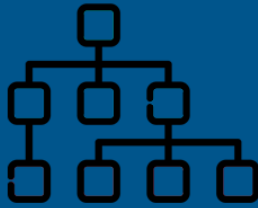
As part of the annual budget process and in collaboration with the management team and the Board of Directors, decisions are evaluated to determine the impact of service enhancements and changes on the 15-year financial plan. These decisions include impact of both the up-front and ongoing operating cost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

Leadership

Completed hiring of leadership team to execute on short-term priorities and envision long-term plans



Reimagined the management of North Texas Mobility Corporation bus operations, creating more productivity and efficiency



Collaborated with regional partners on contracted services, joint operational facilities and future transit solutions



Modified organizational structure to better manage agency and allow for strategic planning and execution



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 operating 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 worked 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 five voting-member Board of Directors appointed by Denton County and the cities of Denton, Highland Village, and Lewisville. Board members serve two-year terms.

Large cities, small cities and other Denton County cities make up the remaining nonvoting 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. And, GoZone services are provided through a contract with Via Transportation.

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.

The DCTA Team

Board of Directors

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

Board of Directors - Alternates

- Jody Gonzalez Denton County
- Pat Smith Denton
- Kristin Green Lewisville
- Paul Stevens Highland Village
- Vacant Denton County

Board of Directors - Non-Voting Members

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

DCTA Executive Management

- Paul Cristina, Chief Executive Officer
- Sherrelle Evans-Jones, Chief Financial Officer
- Maurice Bell, Chief Operating Officer

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 FY2024, DCTA will meet with the Board of Directors and stakeholders early in the calendar year to discuss, prioritize and set strategic objectives to inform the Long Range Service Plan that will guide the agency through 2035.

Services

Serving an area covering 1,500 square miles in eight counties, including Denton, Dallas, Collin, Hunt, Kaufman, Rockwall, Tarrant & Wise



Advancing mobility, innovation and intermodal regional rail

Developed new Collin County Rides service for citizens of Allen and Fairview, replacing DART as provider



Providing Denton County with a 19-mile A-train Rail Trail



Exploring extension of the A-train to downtown Carrollton to connect with DART Silver Line and provide link to DFW International Airport

Diversity

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

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

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

Innovation

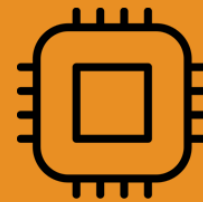
Completed 1.5 million rides and two years of service with the GoZone on-demand rideshare service, offering member cities safe, convenient and affordable mobility options



Began work on Intermediate Service Plan to better integrate GoZone and bus service, aligned with bus stop infrastructure upgrade plans



Began implementation of technology solutions to upgrade operations, customer service and customer experience



Modified organizational structure to better manage agency and allow for strategic planning and execution



Building Public Transit for the Future

GoZone, DCTA's on-demand rideshare service operated by Via, moved over 1.5 million passengers in its first two years of service. 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: Denton, and Lewisville / Highland Village, 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, 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. The FY24 budget includes both revenue (funding from DART) and planned spending (for the expanded construction of the facilities) for the JROF project.

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

About DCTA



Background and Purpose

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

Service Overview

DCTA gets riders where they need and want to go with a variety of services including the 21-mile A-train commuter rail line, Connect, UNT Campus Shuttle and North Texas Xpress bus services, along with Access paratransit, Frisco Demand Response and Collin County Rides (in 2024).

Vision, Mission & Core Values

DCTA is committed to improving mobility, air quality, economic development and livability in North Texas. Implementing 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.



Rail



Bus



Paratransit



Vanpool



On-Demand



Services

Agency Milestones



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

Below are key milestones DCTA has achieved since its inception.

- **2002:** Denton County voters overwhelmingly approve the creation of DCTA
- **2003:** Denton, Lewisville and Highland village vote to 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 bus system to serve the University
- **2006:** DCTA begins Connect bus service in the City of Denton
- **2009:** DCTA starts A-train construction and breaks ground on four rail stations - Hebron, Old Town, Highland Village/Lewisville Lake and MedPark
- **2011:** DCTA's 21-mile A-train commuter rail line launches service to the public
- **2012:** The Federal Railroad Administration (FRA) approves first integrated use of Stadler GTW rail vehicles for DCTA - the first of its kind in the United States
- **2013:** The A-train exceeds one million passengers
- **2016:** DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro, providing service to north Fort Worth
- **2017:** DCTA launches support for the Transit mobile app, providing riders with real-time tracking information for A-train, Connect and UNT Campus Shuttle vehicles
- **2018:** DCTA becomes the 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 United States)
- **2021:** DCTA launches GoZone, its on-demand rideshare service, providing customers with tailored rides in Denton, Lewisville and Highland Village
- **2023:** GoZone achieves one million completed rides in 18 months of service

A-train Facts



Five A-train stations

21 miles of track

19 miles of A-train Rail Trail



DDTC



MedPark



HV / LL



Old Town



Hebron

11 trains in fleet

- Weekdays every half-hour
- Saturdays every hour

780 average weekday boardings	486 average Saturday boardings	1,889 average weekly boardings	18,516 average monthly boardings	225,235 total FY 2023 ridership
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All statistics based on FY 2023 data (October 1, 2022 to September 30, 2023)

Service Overview

The A-train connects Denton County with Dallas County at the Trinity Mills Station. From Trinity Mills, riders can transfer to the Dallas Area Rapid Transit (DART) Green Line light rail, which can then connect to DART's Red, Orange or Blue Lines and/or the Trinity Railway Express (TRE). A-train service is provided Monday through Saturday, excluding major holidays.

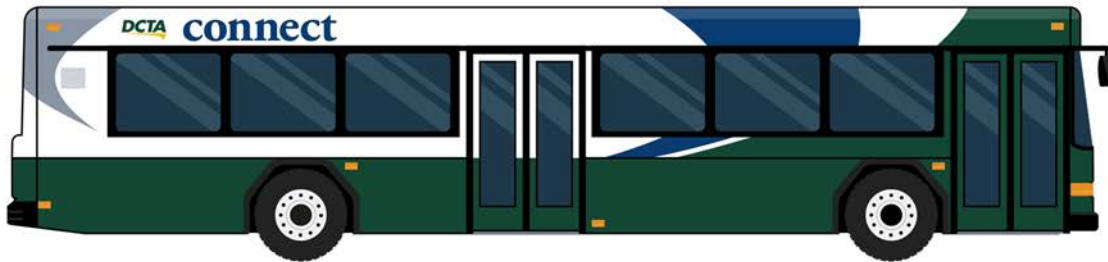
A-train Rail Trail

The A-train Rail Trail is part of DCTA's efforts to provide riders with safe and efficient mobility and environmental solutions. The Rail Trail runs alongside the A-train commuter rail line and complements surrounding facilities. It covers approximately 19 miles and connects riders from the Downtown Denton Transit Center (DDTC) to the Hebron station in Lewisville. Along the Rail Trail, the general public can access the Denton Branch Rail Trail, as well as the Lewisville and Highland Village trails.

History

The A-train officially launched service on June 18, 2011. In January 2012, DCTA unveiled its new Stadler GTW railcars and received a waiver from the Federal Railroad Administration (FRA) to operate them six months later. In September 2013, A-train ridership reached more than one million passengers, carrying 1,006,937 passengers in less than 28 months of operation.

Bus & Mobility Services Facts



Bus Services Overview

DCTA bus services are configured to provide easy access to many popular destinations as well as connections to A-train stations. DCTA fixed-route bus services include:

- **Connect Bus**, serving the city of Denton
- **UNT Campus Shuttle**, serving the University of North Texas and the city of Denton
- **North Texas Xpress**, an express route connecting Denton and North Fort Worth

43 vehicles in fleet

- 3 Connect routes
- 15 UNT routes

- 42 bus shelters
- 66 bus stops

30,419
average
weekly
boardings

131,817
average
monthly
boardings

133,170
Connect
FY 2023
ridership

1,439,650
UNT Shuttle
FY 2023
ridership

1,581,812
total bus
FY 2023
ridership

All statistics based on FY 2023 data (October 1, 2022 to September 30, 2023)

Mobility Services Overview

Access paratransit service provides mobility for disabled persons, elderly (65 and over) customers and those who qualify under the Americans with Disabilities Act (ADA).



The service is available in Denton, Lewisville and Highland Village.

Frisco Demand Response: DCTA provides appointment-based paratransit service for elderly or disabled residents of Frisco and portions of Plano as a contract service.

Collin County Rides: In 2024, DCTA will launch appointment-based paratransit service for elderly or disabled residents of Allen and Fairview as a contract service.

Lyft Partnerships

DCTA has a partnership with Lyft in which the agency provides free late-night rides for the UNT Lyft Zone, and “first mile/last mile” service for employers in Coppell and in the Alliance area serving Tarrant and Denton counties via Trinity Metro’s ZIPZONE service.

GoZone Facts



GoZone Overview

DCTA launched GoZone in September of 2021, bringing economical and efficient on-demand rideshare service to Denton County residents as a new, cutting edge mode of transit. The mobile-app based system delivers riders to nearby destinations within two primary zones served:

- **Denton Zone**, serving a large portion of the city of Denton
- **Lewisville / Highland Village Zone**, serving the cities of Lewisville and Highland Village

16,412
average
weekly
boardings

71,121
average
monthly
boardings

853,463
GoZone
FY 2023
ridership

80 vehicles in fleet

Average wait times (Goal: < 24 minutes)

- **19.8 minutes:** Denton Zone
- **18.4 minutes:** Lewisville / Highland Village Zone

All statistics based on FY 2023 data (October 1, 2022 to September 30, 2023)

GoZone Milestones

- GoZone surpassed one million completed rides in its first 18 months of service
- GoZone is one of the most widely-used services of its kind in the United States
- GoZone has become DCTA's second most utilized transit mode by passengers



GoZone has made transportation accessible to many more people in our community.

80%
of GoZone riders
use it for essential
trips such as
healthcare, grocery
stores, school
or work

42%
of GoZone riders
report their
annual income
as less
than \$25,000

44%
of GoZone riders
identify as
persons of
color

71%
of GoZone riders
do not own
a personal
vehicle

Fares 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 between 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)	\$1.50	—	—	Cash (Exact Change), GoZone app, onboard
10-Day Pass	\$20.00	\$84.00	—	Ticket Outlets, Online
Monthly Pass	\$48.00	\$192.00	\$24.00 / \$48.00	Ticket Outlets, TVM, GoZone app, GoPass
Annual Pass	\$480.00	\$1,920.00	\$240.00 / \$576.00	Ticket Outlets, Online

Travel Tools

DCTA provides a wide range of mobile apps and tools to personalize your transit experience.



Transit

The Transit mobile app is a vehicle tracking system that provides DCTA passengers real-time location information for the A-train, Connect Bus, and University of North Texas (UNT) Campus Shuttles. Passengers can track vehicles via smartphone, online, or via text by using the mobile app.



GoZone

The GoZone mobile app allows riders to request rides aboard DCTA's on-demand rideshare service, and pay for rides in the app. Riders can also use the app to request wheelchair accessible service or notify drivers of special needs.



GoPass

The GoPass app is a ticket-purchasing app allowing users of DCTA, DART and Trinity Metro transit systems to buy local or regional passes good for travel on all three systems operating in the Dallas/Fort Worth area.



GoRequest

The GoRequest app allows customers to submit feedback directly to DCTA staff. Riders can also use the online GoRequest portal on the DCTA website to submit their comments.



DCTA link

The DCTA app is a convenient portal to access the DCTA website at the quick touch of a button. Download this app for the quickest path to DCTA web-based information and functionality.



Rider Alerts

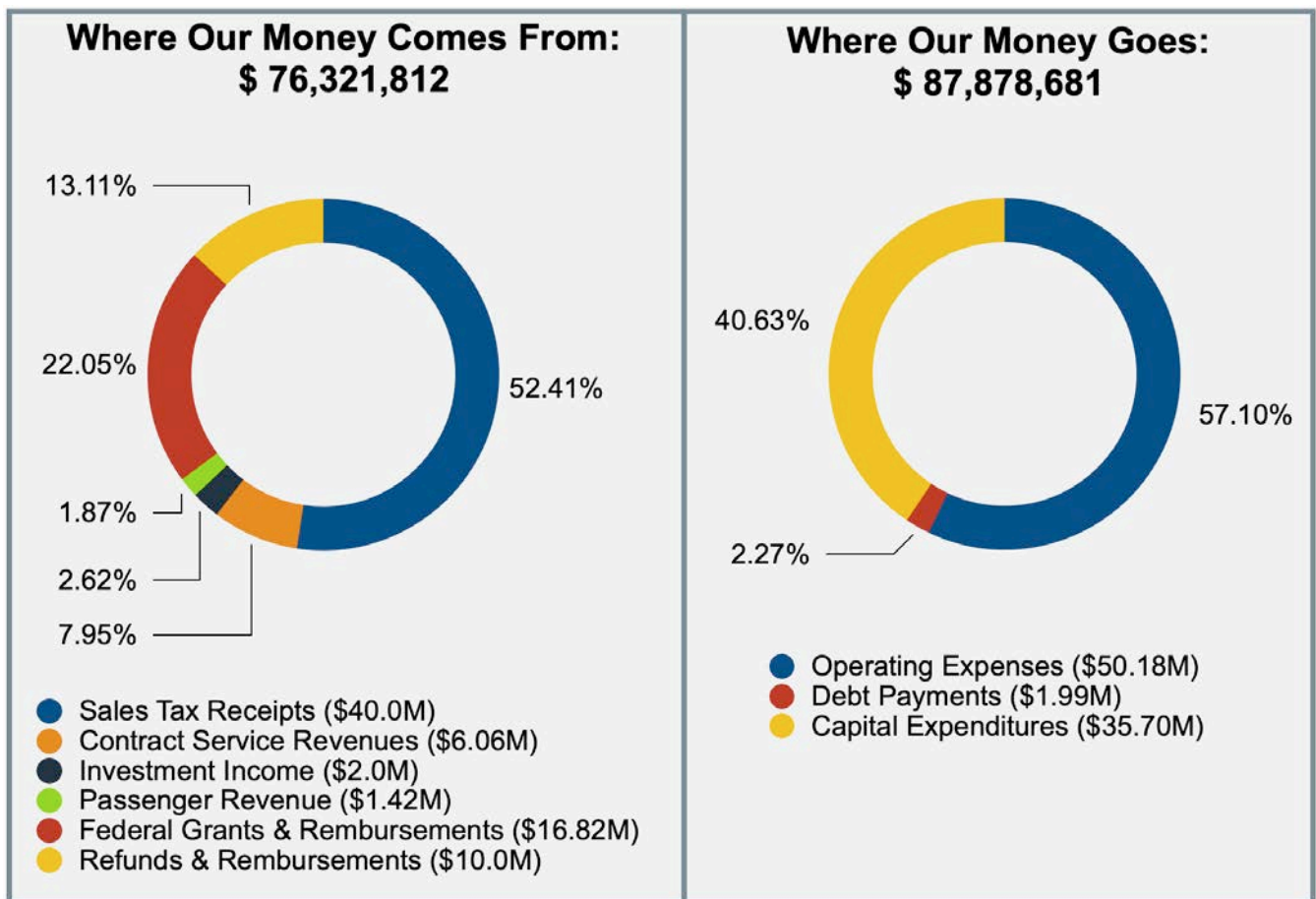
Sign up for Rider Alerts at www.DCTA.net to receive up-to-date email or text notifications regarding services, programs, promotions and more, tailored to just those messages you want to receive.

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 funding in the charts above represent funding from all agency revenue sources, as well as all operating expenses and capital costs. These expenditures represent the full breadth of expenses for the agency.

Year at a Glance

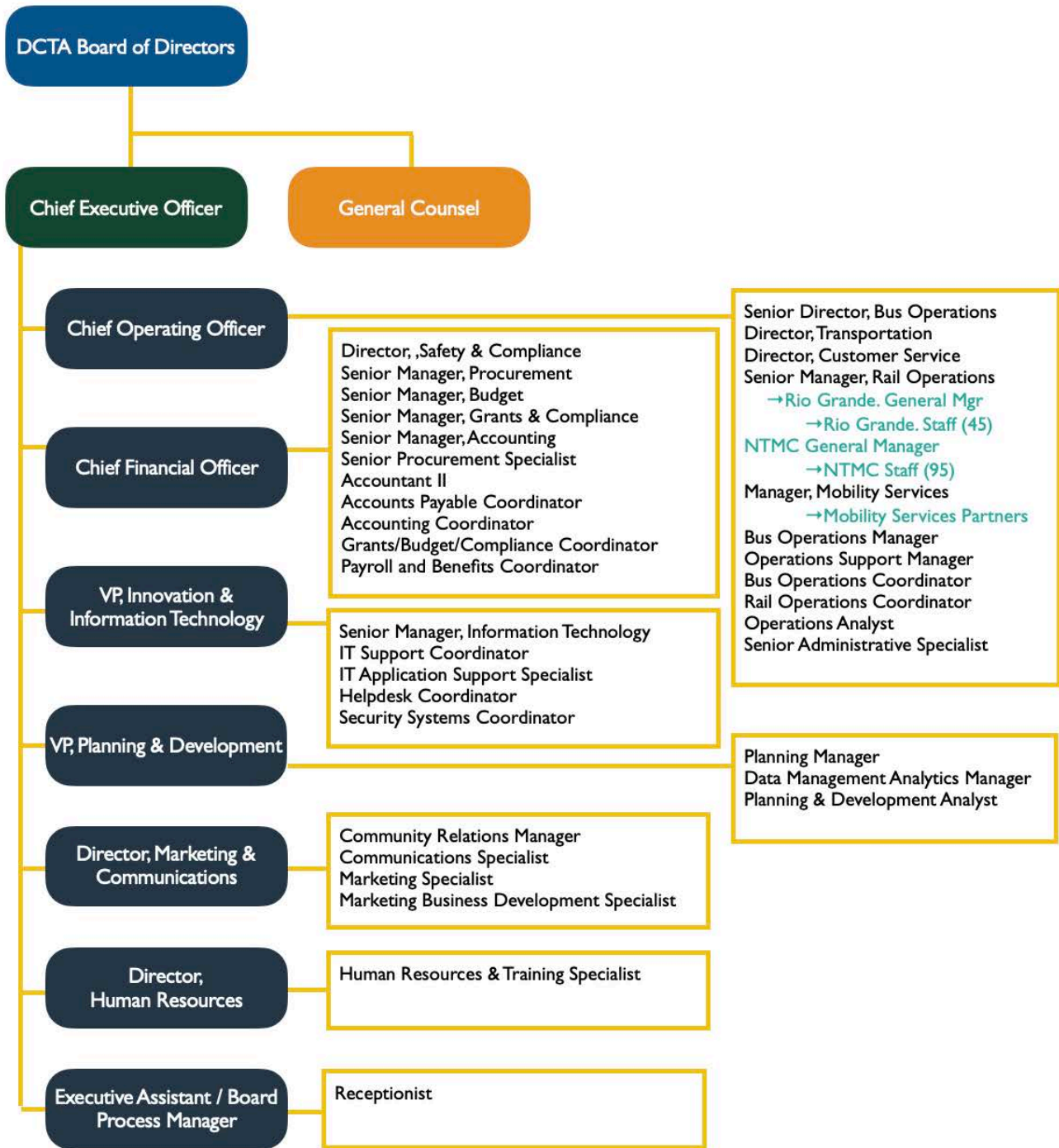
Driving a better future for Denton County

DCTA is committed to offering alternative mobility options to improve the quality of life where our residents live, work and play. This presents a great challenge because Denton County and Collin County are the seventh and sixth most populated counties in Texas, respectively, and are growing at rates that are among the fastest in the nation.

In FY23, DCTA reached numerous milestones in relation to mobility, air quality, economic development, and livability. Read about key FY23 milestones below:

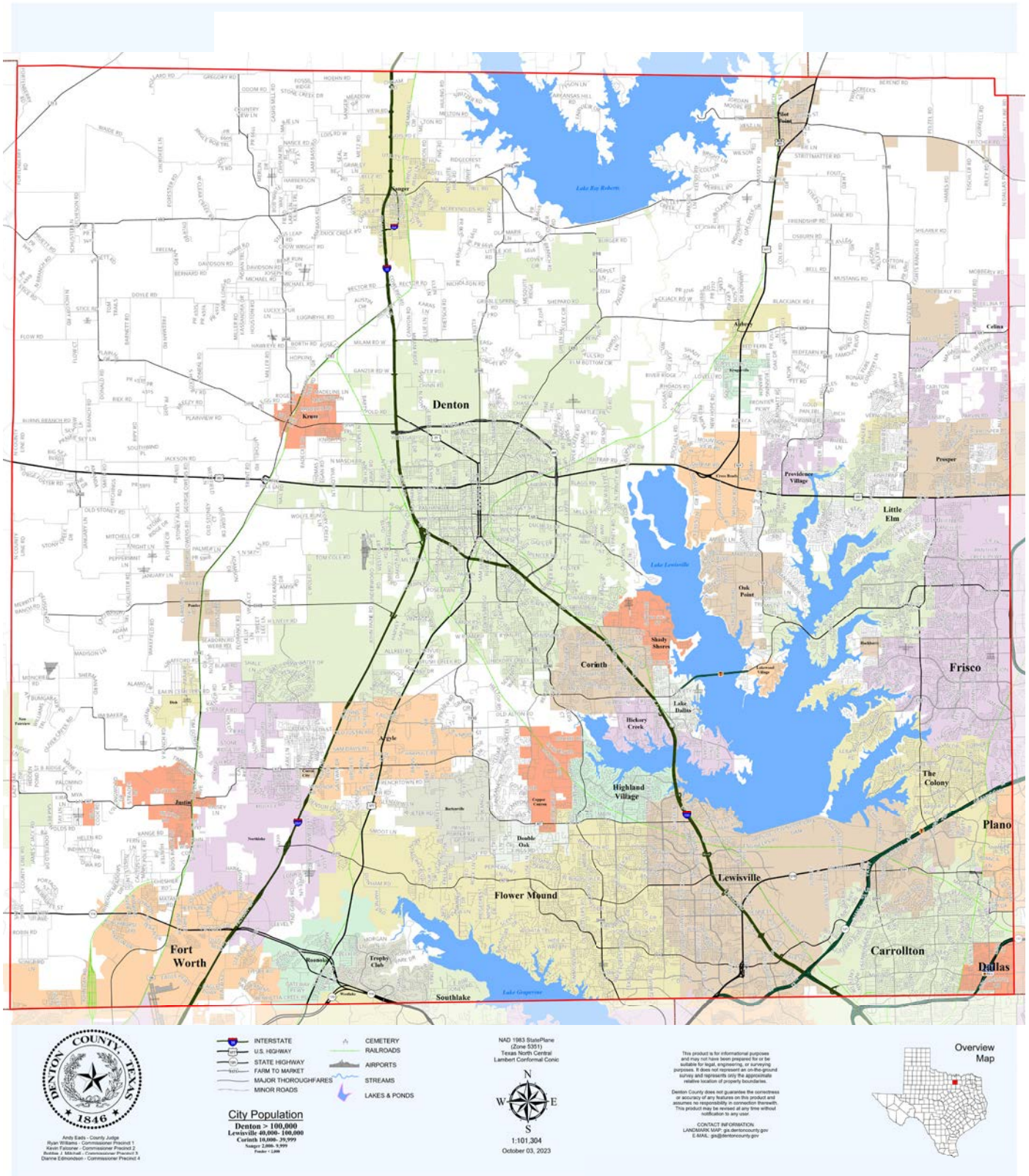
- ✓ Grew annual ridership more than 33% from FY'22, carrying over 2.9 million riders system-wide, and fostering significant growth across all transit modes.
- ✓ Reinvested significantly in Connect Bus operations in Denton with more frequencies on two routes, sparking a 77% increase in Connect ridership.
- ✓ Completed over 1.5 million trips within the first two years of service for the GoZone on-demand rideshare service, offering member cities a safe, convenient, and accessible mobility option for their communities.
- ✓ Undertook a strategic visioning session identifying future priorities and establishing three key messages to guide the agency forward.
- ✓ Undertook a Comprehensive Operations Analysis resulting in a significant policy decision serving as the foundation upon which future services can be built.
- ✓ Expanded DCTA Vanpool program to seven counties in DFW metroplex, carrying more than 237,000 passengers and increasing overall ridership by 4.4% in FY'23.
- ✓ Board approval of more than \$10M worth of project requests by member cities to be funded under the DCTA Transportation Reinvestment Program (TRiP).

Organizational Chart

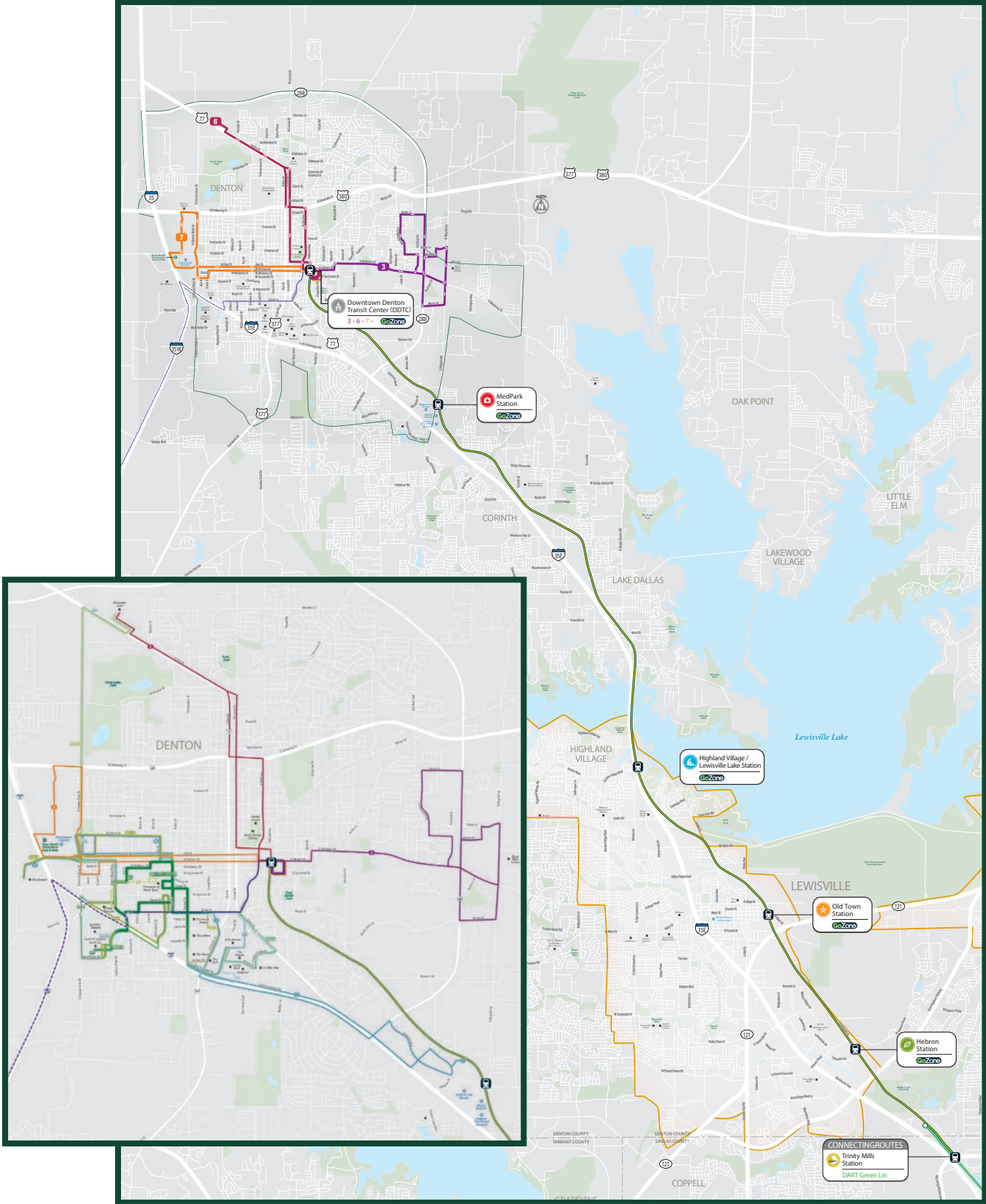


Denotes Contractors and Contract Staff

Denton County Map



Service Area Map



Operating Budget Summary



Operating &
Capital Budget

2024

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:

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

The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:

i. Operating Fund Expenses:

1. DCTA is required to control operating costs and maintain the total expenses incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
2. The Chief Executive Officer (CEO) may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
3. The Board may authorize a Budget Amendment for approval of new contracts and unbudgeted expenses when available savings cannot be identified within the operating or capital budget.

ii. Capital Project Fund Expenses:

1. Expenses for capital projects must be approved within the fiscal year capital project budget; or
2. By Board approval of any increase to an existing capital project budget that is not offset by savings within the operating or capital budget; or
3. The addition of a new capital project during the fiscal year approved by Budget Amendment.

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

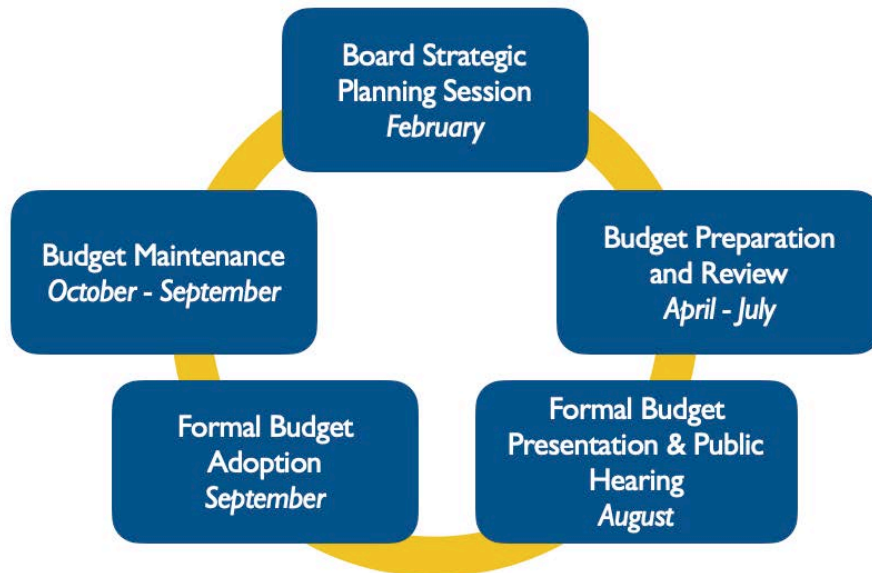
Once the operating & capital budget components have been identified, all aspects are incorporated into the Long- Range Financial Plan. This allows staff to ensure that all programs are sustainable and within our financial limits.

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 and Review**

- April-June: Staff prepares, submits and reviews proposed revenue projections, operating expenses and capital budgets
- June: Operating & Capital Budget and Long-range Financial Plan are presented to the Board of Directors for review and comment

- **Formal Budget Presentation & Hearing**

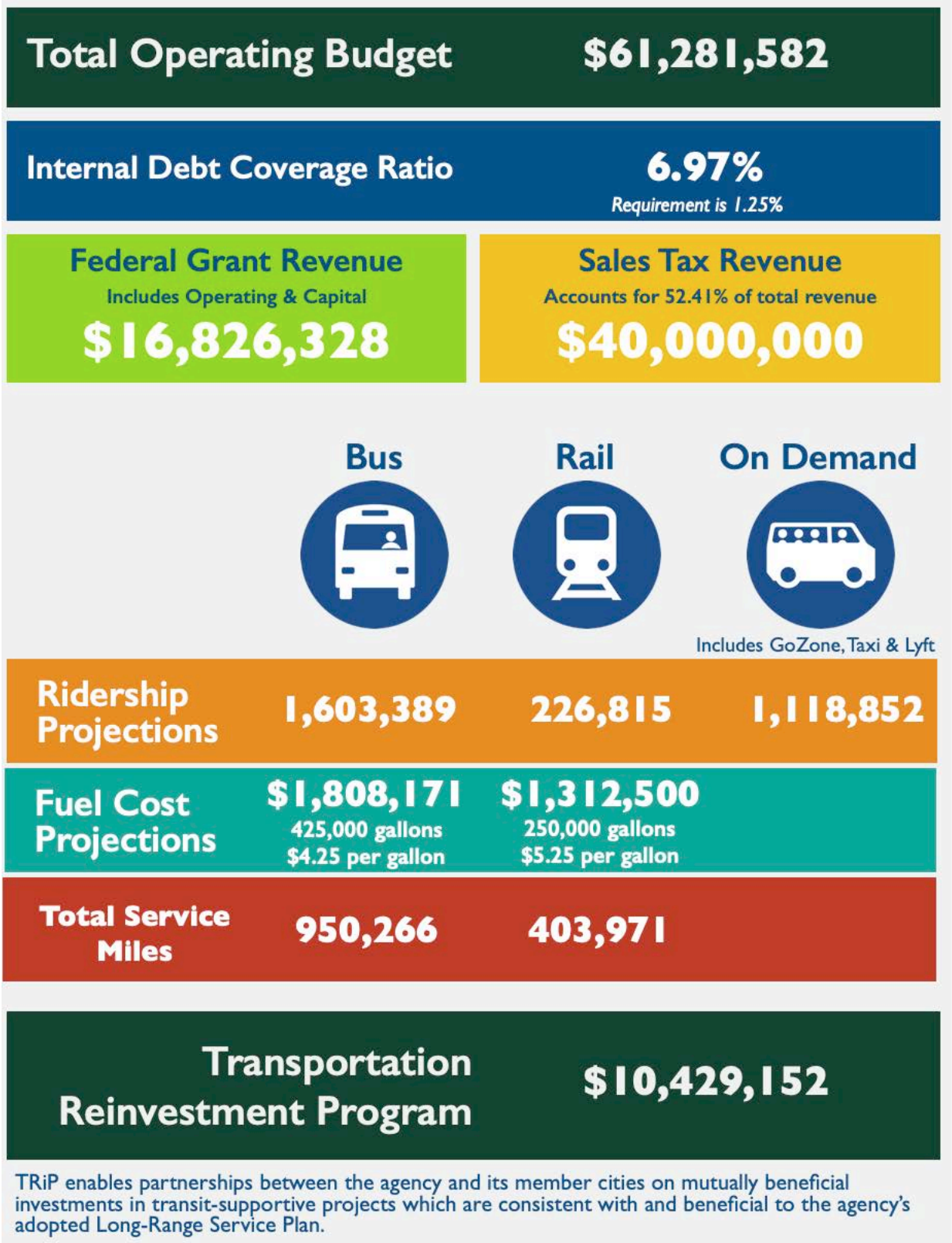
- Formal presentation of FY Budget to Board and public hearing*
- Formal Budget Adoption
- Adoption of FY Budget & Long-range Financial Plan by the Board of Directors

- **Budget Maintenance**

- October 1: Fiscal Year begins
- October-December: Staff completes the Budget Document
- 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 FY24



Change in Net Position / Combined

	FY 2022 Actuals	FY 2023 Adopted Budget	FY 2023 Working Budget	FY 2024 Adopted Budget
Operating Revenue				
Passenger Revenues (Bus Farebox)	\$273,594	\$206,348	\$206,348	\$220,384
Passenger Revenues (GoZone Farebox)	375,059	1,295,474	1,295,474	865,836
Passenger Revenues (Rail Farebox)	280,062	295,805	295,805	340,222
Contract Service Revenue	3,718,416	3,828,781	4,354,021	6,065,584
Total Operating Revenue	\$4,647,132	\$5,626,408	\$6,151,648	\$7,492,026
Operating Expenses				
Salary, Wages & Benefits	\$9,360,270	\$12,142,839	\$11,166,904	\$13,061,999
Outsourced Services & Charges	5,022,667	6,904,591	6,855,179	6,022,302
Materials & Supplies	2,537,867	3,364,974	3,446,263	4,035,478
Utilities	455,020	666,751	700,119	799,529
Insurance	1,660,372	1,846,074	1,822,706	1,722,268
Purchased Transportation Services	19,146,955	22,584,376	23,027,376	23,661,859
Employee Development	133,208	363,825	324,598	725,423
Leases & Rentals	132,033	146,452	158,406	153,595
Depreciation	11,351,682	11,211,908	11,211,908	11,099,129
Total Operating Expenses	\$49,800,074	\$59,231,790	\$58,713,459	\$61,281,582
Non-Operating Revenue / (Expense)				
Investment Income	\$462,425	\$6,000	\$6,000	\$2,000,000
Lease Income	-	368,538	368,538	-
Misc. Revenues	681,289	9,255,072	9,255,072	10,003,458
Sales Tax Revenue	38,030,250	39,646,685	39,646,685	40,000,000
Federal, State Grants & Reimbursements	19,123,475	15,843,869	15,843,869	16,826,328
Gain (Loss) on Disposal of Assets	29,719	-	-	-
Long Term Debt Interest/Expense	(233,827)	(212,640)	(212,640)	(215,520)
Total Non-Operating Revenue / (Expense)	\$58,093,331	\$64,907,524	\$64,907,524	\$68,614,266
Income (Loss) Before Transfers	12,940,389	11,302,142	12,345,713	14,824,710
Transfers Out	(5,926,669)	(7,337,796)	(6,999,359)	(7,001,358)
Transfers In	5,926,669	7,337,796	6,999,359	7,001,358
Total Transfers	-	-	-	-
Change in Net Position	\$12,940,389	\$11,302,142	\$12,345,713	\$14,824,710
Net Position - Beginning of Year:	361,643,543	363,417,002	339,793,800	316,881,292
Net Position - End of Year:	374,583,932	374,719,144	352,139,513	331,706,002
Transfer to Capital Projects	(11,166,930)	(34,925,344)	(35,258,221)	(35,703,929)
Net Position After Capital Project Transfer	363,417,002	339,793,800	316,881,292	296,002,073

Includes DCTA & NTMC operating budget and transfers combined Net Position reflects the difference (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

Change in Net Position / DCTA

	FY 2022 Actuals	FY 2023 Adopted Budget	FY 2023 Working Budget	FY 2024 Adopted Budget
Operating Revenue				
Passenger Revenues (Bus Farebox)	\$273,594	\$206,348	\$206,348	\$220,384
Passenger Revenues (GoZone Farebox)	375,059	1,295,474	1,295,474	865,836
Passenger Revenues (Rail Farebox)	280,062	295,805	295,805	340,222
Contract Service Revenue	3,718,416	3,828,781	4,354,021	6,065,584
Total Operating Revenue	\$4,647,132	\$5,626,408	\$6,151,648	\$7,492,026
Operating Expenses				
Salary, Wages & Benefits	4,005,236	7,935,835	4,925,778	6,493,378
Outsourced Services & Charges	4,517,965	6,904,591	6,247,734	5,769,454
Materials & Supplies	2,536,927	3,364,974	3,444,327	4,017,678
Utilities	455,020	666,751	700,119	799,529
Insurance	1,608,328	1,846,074	1,727,114	1,643,418
Purchased Transportation Services	19,146,955	22,584,376	23,027,376	23,661,859
Employee Development	119,259	363,825	271,338	642,184
Leases & Rentals	132,033	146,452	158,406	153,595
Depreciation	11,351,682	11,211,908	11,211,908	11,099,129
Total Operating Expenses	\$43,873,405	\$55,024,786	\$51,714,100	\$54,280,224
Operating Income / (Loss)	(39,226,273)	(49,398,378)	(45,562,452)	(46,788,198)
Non-Operating Revenue / (Expense)				
Investment Income	462,425	6,000	6,000	2,000,000
Lease Income	-	368,538	368,538	-
Misc. Revenues	681,289	9,255,072	9,255,072	10,003,458
Sales Tax Revenue	38,030,250	39,646,685	39,646,685	40,000,000
Federal, State Grants & Reimbursements	19,123,475	15,843,869	15,843,869	16,826,328
Gain (Loss) on Disposal of Assets	29,719	-	-	-
Long Term Debt Interest/Expense	(233,827)	(212,640)	(212,640)	(215,520)
Total Non-Operating Revenue / (Expense)	\$58,093,331	\$64,907,524	\$64,907,524	\$68,614,266
Income (Loss) Before Transfers	18,867,058	15,509,146	19,345,072	21,826,068
Transfers Out	(5,926,669)	(7,337,796)	(6,999,359)	(7,001,358)
Transfers In	-	-	-	-
Total Transfers	(\$5,926,669)	(\$7,337,796)	(\$6,999,359)	(\$7,001,358)
Change in Net Position	\$12,940,389	\$8,171,350	\$12,345,713	\$14,824,710

Change in Net Position / NTMC

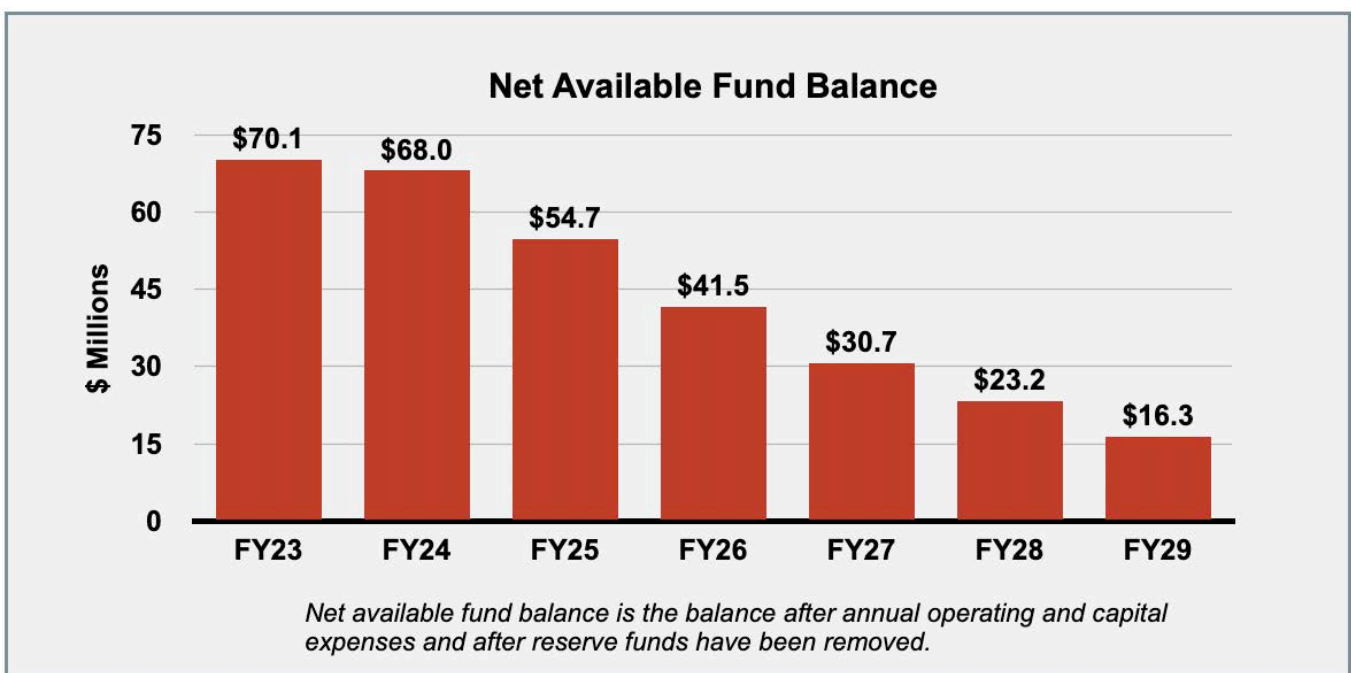
	FY 2022 Actuals	FY 2023 Adopted Budget	FY 2023 Working Budget	FY 2024 Adopted Budget
Operating Expenses				
Salary, Wages & Benefits	\$5,355,034	\$6,579,563	\$6,241,126	\$6,568,621
Outsourced Services & Charges	504,702	607,445	607,445	252,848
Materials & Supplies	940	1,936	1,936	17,800
Utilities	-	-	-	-
Insurance	52,044	95,592	95,592	78,850
Purchased Transportation Services	-	-	-	-
Employee Development	13,949	53,260	53,260	83,239
Leases & Rentals	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$5,926,669	\$7,337,796	\$6,999,359	\$7,001,358
Income (Loss) Before Transfers	(5,926,669)	(7,337,796)	(6,999,359)	(7,001,358)
Transfers Out	-	-	-	-
Transfers In	\$5,926,669	\$7,337,796	\$6,999,359	7,001,358
Total Transfers	\$5,926,669	\$7,337,796	\$6,999,359	\$7,001,358
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:

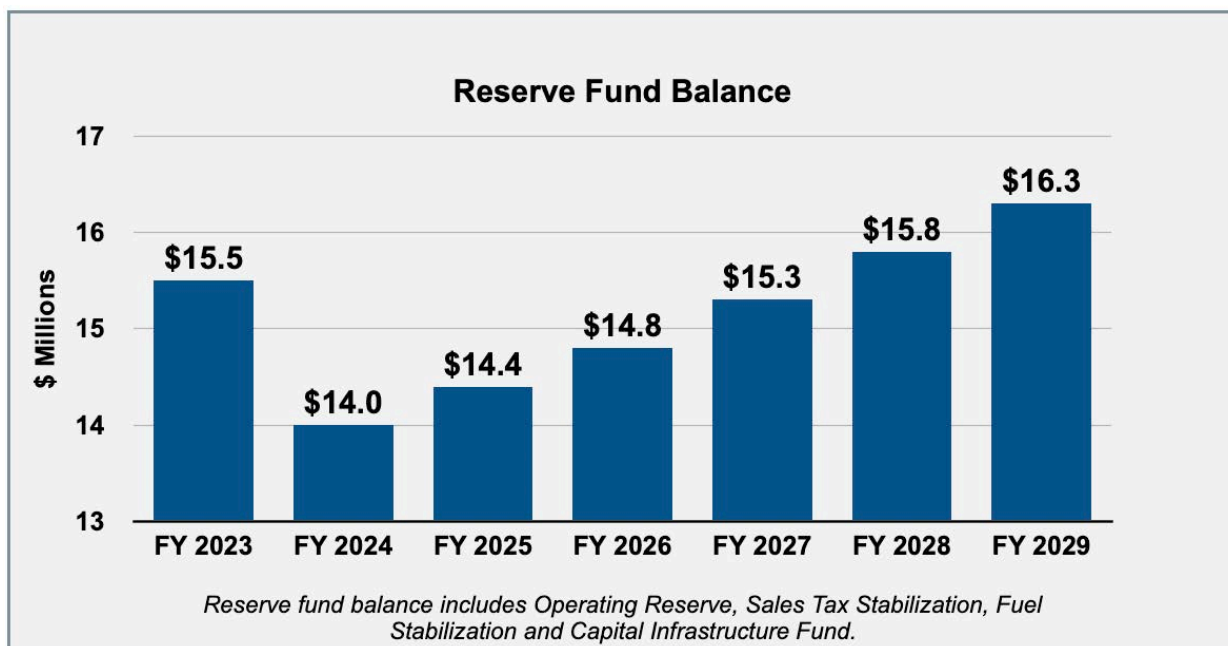
- Labor cost inflation is forecasted at a 3% increase for Administrative & Rail Operations and 4% for Bus Operations over prior year
- Health benefit cost inflation varies and is based on a historical average and current plans
- All contract rates for bus and rail service are based on current contracts 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 up to 2% for future years.



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 \$0.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.



Long Range Financial Plan

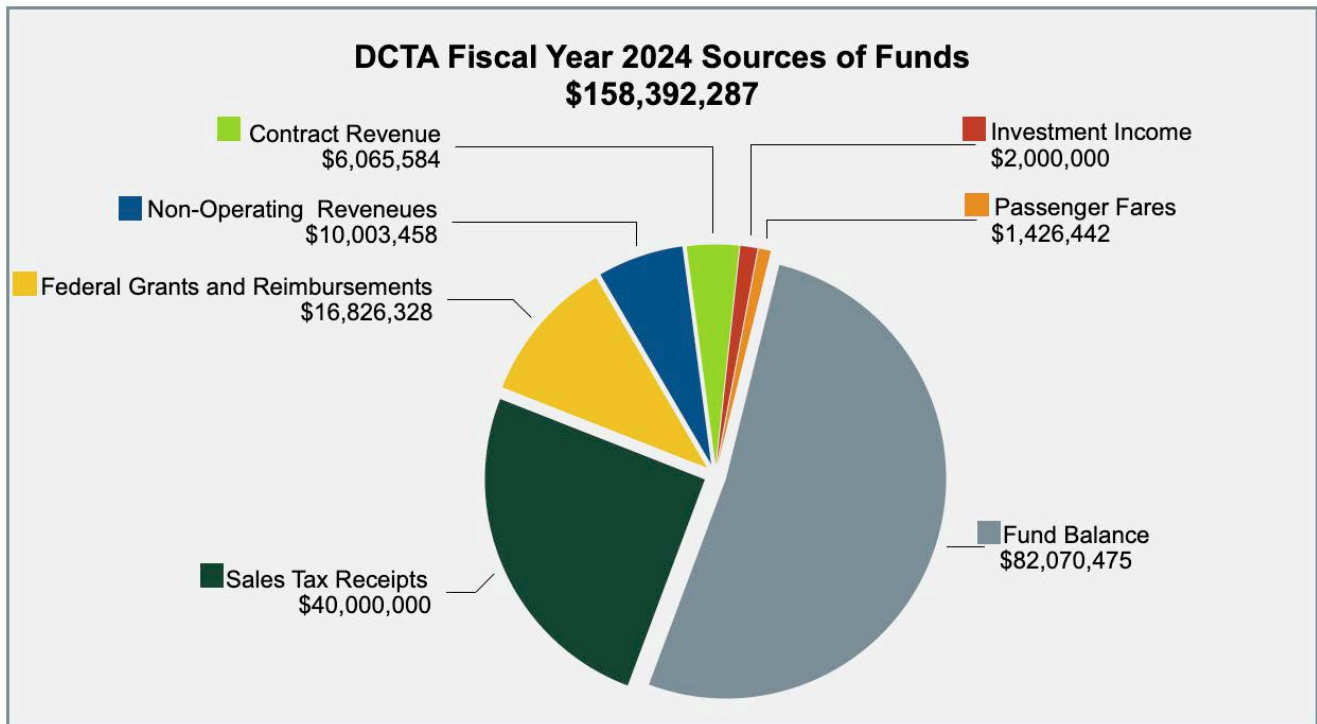
	Adopted FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	FY2023 to FY2029
<i>Beginning Fund Balance:</i>	\$100,011,368	\$94,654,688	\$83,097,819	\$70,283,538	\$57,438,910	\$47,110,312	\$39,926,475	\$492,523,109
OPERATING REVENUES								
Passenger Revenue	1,797,627	1,426,442	1,440,706	1,455,113	1,469,665	1,484,361	1,499,205	\$10,573,120
Contract Services	3,828,781	6,065,584	6,277,879	6,497,605	6,725,021	6,960,397	7,204,011	\$43,559,279
NON-OPERATING REVENUES								
Sales Tax Revenue	39,646,685	40,000,000	40,800,000	41,616,000	42,448,320	43,297,286	44,163,232	\$291,971,524
Operating Grants	13,042,809	14,573,299	8,000,000	8,155,200	8,313,411	8,474,691	8,639,100	\$69,198,510
Investment Income	6,000	2,000,000	2,004,000	2,010,012	2,016,042	2,022,090	2,028,156	\$12,086,301
Other Non-Operating Revenues	368,538	-	728,000	728,000	1,000,000	1,019,400	1,039,176	\$4,883,114
TOTAL REVENUES	58,690,440	64,065,325	59,250,586	60,461,931	61,972,459	63,258,226	64,572,881	432,271,847
OPERATING EXPENSES								
Salaries, Wages & Benefits	12,142,839	13,061,999	13,584,479	14,127,858	14,692,973	15,280,692	15,891,919	98,782,760
Outsourced Services & Charges	6,904,591	6,022,302	6,139,135	6,258,234	6,379,644	6,503,409	6,629,575	44,836,889
Materials and Supplies	3,364,974	4,035,478	4,113,766	4,193,573	4,274,929	4,357,862	4,442,405	28,782,987
Purchased Transportation Services	22,584,376	23,661,859	24,608,333	25,592,667	26,616,373	27,681,028	28,788,269	179,532,906
Other Operating Expenses	3,023,102	3,400,815	3,109,569	3,169,895	3,231,391	3,148,214	3,209,290	22,292,275
NON-OPERATING EXPENSES	48,019,882	50,182,453	51,555,283	53,342,227	55,195,309	56,971,205	58,961,458	374,227,817
TOTAL EXPENSES	48,019,882	50,182,453	51,555,283	53,342,227	55,195,309	56,971,205	58,961,458	374,227,817
NET INCOME	10,670,558	13,882,872	7,695,303	7,119,704	6,777,150	6,287,021	5,611,423	58,044,030
CAPITAL OUTLAY & MAJOR MAINTENANCE								
Reserve for Fleet Replacement (TAM)	45,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	3,400,000	20,445,000
Professional Services / Technology Improvements	3,120,803	3,635,000	2,020,000	1,186,000	1,640,000	125,000	600,000	12,326,803
Major Maintenance - Rail	2,000,000	2,368,780	6,223,000	6,198,000	5,191,000	4,869,000	4,794,000	31,643,780
Major Maintenance - Bus (+other Bus Ops projects)	179,530	339,783	200,000	200,000	200,000	200,000	200,000	1,519,313
Fleet Purchase (Bus/Rail)	-	-	1,100,000	-	6,500,000	7,000,000	7,500,000	22,100,000
Positive Train Control (PTC)	1,755,546	3,396,274	-	-	-	-	-	5,151,820
Infrastructure Acquisition - Old Town TOD	634,981	634,981	4,500,000	3,852,250	-	-	-	9,622,212
Brownfield Remediation	35,000	-	-	-	-	-	-	35,000
Joint Rail Operations Facility (JROF)	5,928,263	11,499,959	-	-	-	-	-	17,428,222
Transportation Reinvestment Program (TRIP)	21,226,221	10,429,152	7,699,774	8,014,231	5,704,640	3,908,079	2,145,258	59,127,355
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	34,925,344	35,703,929	25,142,774	22,850,481	22,635,640	19,502,079	18,639,258	179,399,505
TOTAL CAPITAL MAINTENANCE AND OPERATING EXPENSES	82,945,226	85,886,382	76,698,057	76,192,708	77,830,949	76,473,284	77,600,716	553,627,322

Operating & Capital Budget- 2024

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.

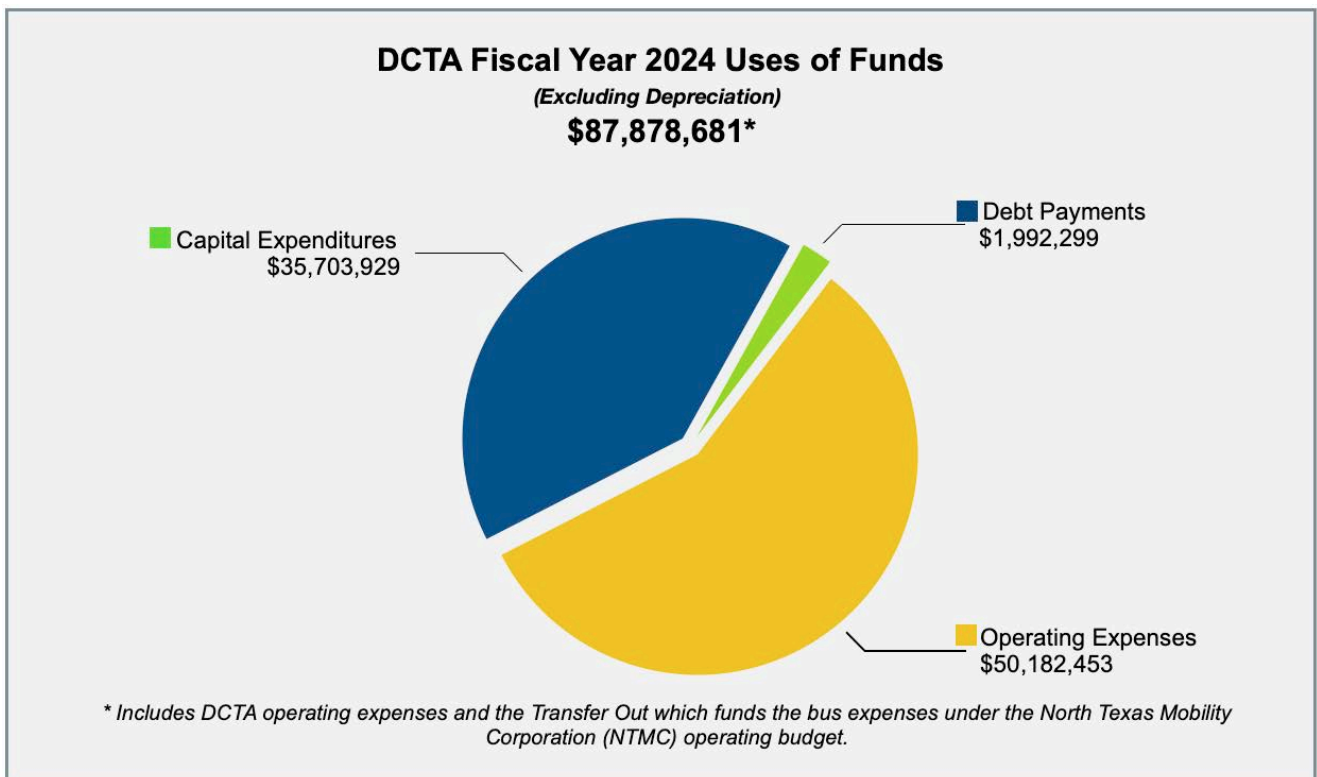
The Long-Range Financial Plan (LRFP) reflects the projection for both FY23 and FY24 adopted operating and capital budget. The financial plan for DCTA remains conservative and stable. The LRFP factors in labor cost inflation, a conservative increase in revenue year-to-year, as well as an increase in healthcare costs. It also factors in increases for fuel cost at an average just over 3% each year. We are estimating a population growth which ideally will tie in with an increased demand for our services. In this plan, we are looking closely at all costs for capital projects as well as fleet maintenance and replacement in future years. Grant funds are projected as is funding that makes up our stabilization funds that could be utilized during difficult times in the economy.

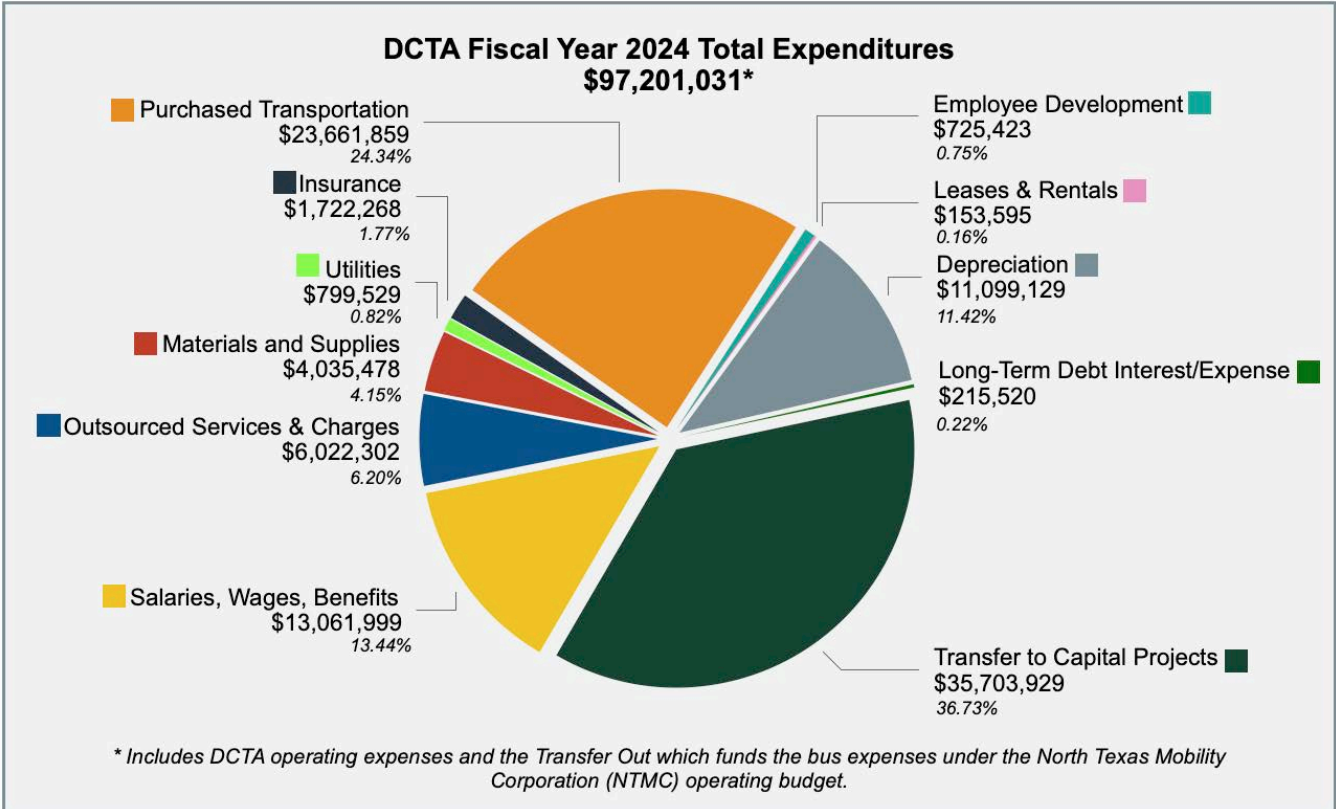
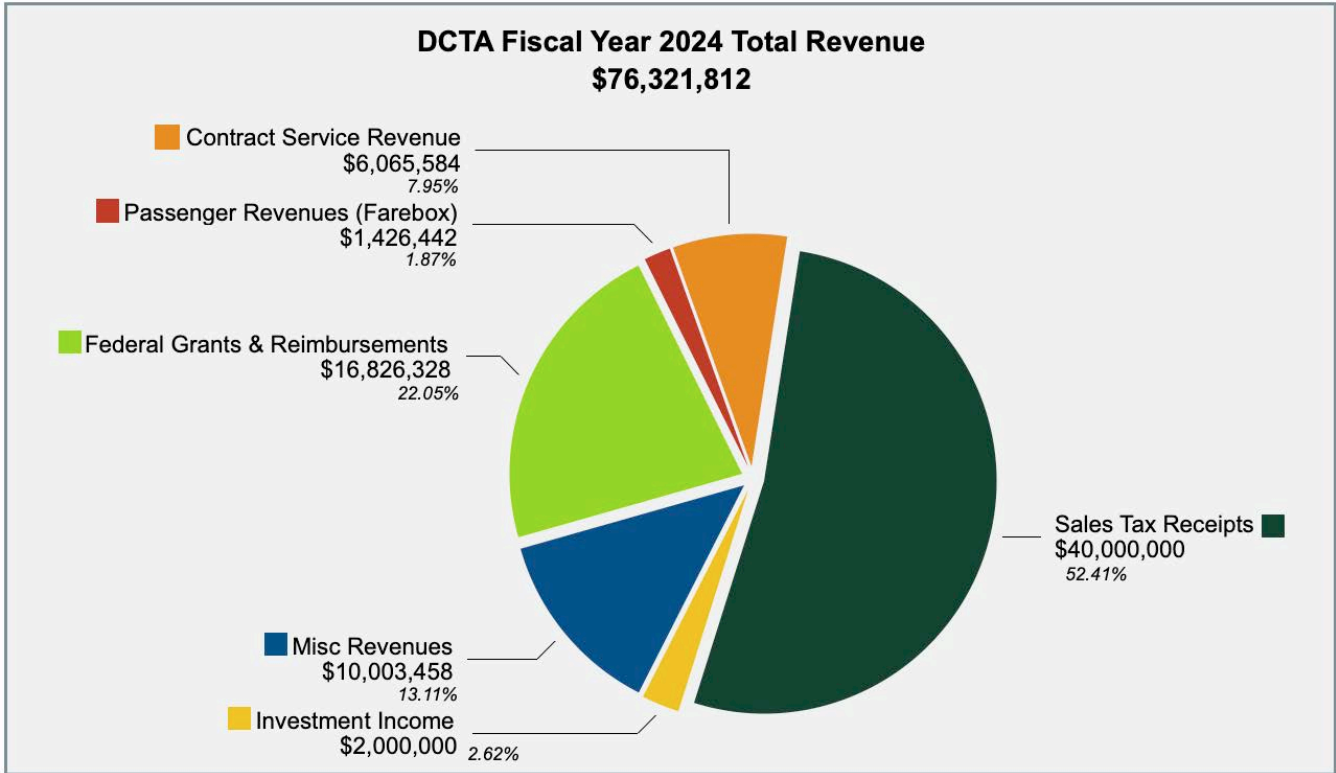
	Adopted FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	FY2023 to FY2029
CAPITAL SOURCES								
Capital Grants	2,801,060	1,618,048	1,020,000	1,020,000	6,220,000	6,620,000	7,020,000	26,319,108
Capital Grants - Old Town	-	634,981	4,500,000	3,852,250	-	-	-	8,987,231
Use of Capital Reserves	-	-	1,100,000	-	1,300,000	1,400,000	1,500,000	5,300,000
Capital Reimbursement - DART JROF	9,255,072	10,003,458	-	-	-	-	-	19,258,530
TOTAL CAPITAL SOURCES	12,056,132	12,256,487	6,620,000	4,872,250	7,520,000	8,020,000	8,520,000	59,864,869
DEBT SERVICE								
2020 Series Refunding Bonds	986,278	967,467	948,755	930,142	916,628	898,163	874,798	6,522,228
2021 Series Refunding Bonds	1,001,160	1,024,832	1,038,056	1,055,960	1,073,480	1,090,616	1,112,368	7,396,472
TOTAL DEBT SERVICE	1,987,438	1,992,299	1,986,811	1,986,102	1,990,108	1,988,779	1,987,166	13,918,700
Internal Debt Service Coverage	5.37	6.97	3.87	3.58	3.41	3.16	2.82	-
Outstanding Bond Principal as of Sept 30th Audit Adjustment	17,025,000	15,225,000	13,410,000	11,575,000	9,715,000	7,835,000	5,935,000	-
ENDING FUND BALANCE	85,825,277	83,097,819	70,283,538	57,438,910	47,110,312	39,926,475	33,431,474	417,113,804
Less Required Fund Balance (O&M Reserve Policy)	12,004,971	12,545,613	12,888,821	13,335,557	13,798,827	14,242,801	14,740,365	-
Less Sales Tax Stabilization Fund	1,189,401	1,200,000	1,224,000	1,248,480	1,273,450	1,298,919	1,324,897	-
Less Fuel Stabilization Fund	286,189	249,329	249,329	249,329	249,329	249,329	249,329	-
Less Capital/Infrastructure Fund	2,000,000	-	-	-	-	-	-	-
NET AVAILABLE FUND BALANCE	\$70,344,717	\$69,102,877	\$55,921,388	\$42,605,544	\$31,788,706	\$24,135,426	\$17,116,883	



Sources and Uses of Funds

The FY24 budget anticipates an increase in Contract Service Revenue due to an increase in ridership largely due to the UNT contract, but also tied to Mobility as a Service (MaaS) which is made up of Coppell Contract Service as well as Trinity Metro Alliance Contract Service.

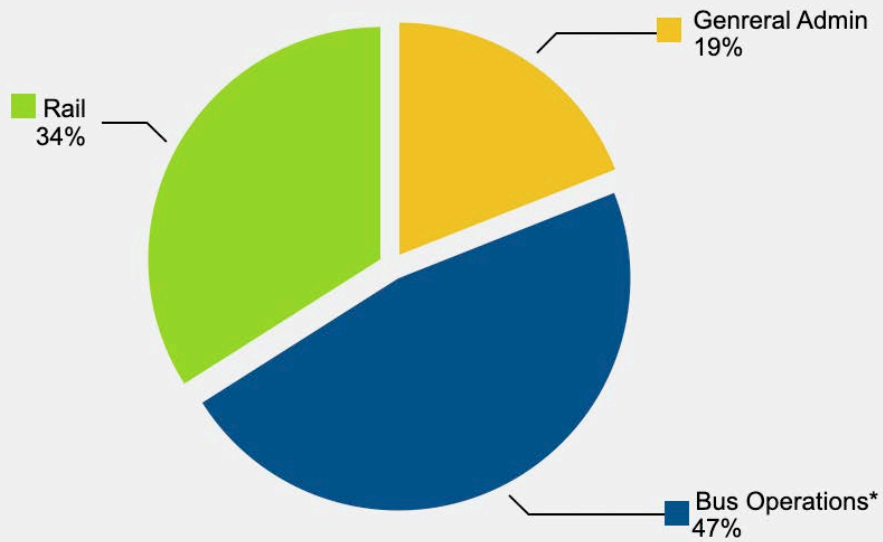




Operating Expenses by Division and Department

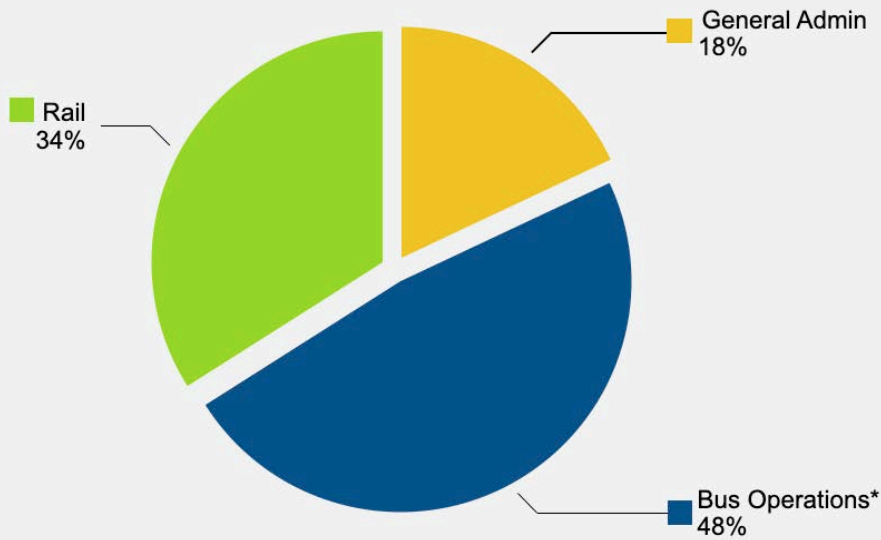
	FY 2022 Actuals	FY 2023 Adopted Budget	FY 2023 Working Budget	FY 2024 Adopted Budget
General and Administrative				
President/CEO	\$713,293	\$760,465	\$768,108	\$869,523
Administration	402,676	450,283	478,395	359,482
Board of Directors	703,832	61,975	50,516	34,675
Finance	2,120,090	1,458,345	1,144,841	2,048,466
Strategic Planning & Development	546,530	2,062,945	1,767,168	1,854,813
Marketing & Communications	886,062	1,506,248	1,506,248	1,593,982
Customer Service	-	-	-	187,410
Human Resources	324,903	535,776	545,171	533,691
Information Technology	654,045	965,115	997,549	1,235,524
Procurement & Compliance	-	939,048	837,852	322,366
Non-Departmental	-	-	-	258,024
Total General & Administrative	6,351,432	8,740,200	8,095,848	9,297,956
Rail Operations				
Total Rail Operations	14,398,770	16,399,744	16,411,202	17,151,305
Bus Operations				
Bus Service Administration	2,703,491	1,314,330	1,348,495	1,314,104
Mobility Services	574,440	773,771	773,771	1,317,051
Fixed Route Services	1,352,892	1,560,991	1,601,947	983,169
UNT Contract Services	1,955,532	2,645,349	2,622,138	-
Demand Response Services	884,941	1,045,069	1,042,337	4,500,958
GoZone	7,654,041	10,415,980	10,415,980	10,569,999
North Texas Xpress	71,367	88,681	48,300	-
Maintenance	1,754,193	2,486,558	2,292,615	1,763,481
Supervisors & Dispatch	653,556	817,056	768,221	666,799
Frisco Contract Service	186,848	192,352	227,839	-
Collin County Transit Contract Service (CCT-McKinney)	57,464	-	-	-
Mobility as a Service (MaaS)	512,465	763,476	1,150,476	1,227,000
Customer Service (DDTC)	538,129	776,325	686,880	620,275
Non-Departmental	-	-	-	770,356
Total Bus Operations	18,899,361	22,879,938	22,978,999	23,733,192
Total Depreciation	11,351,682	11,211,908	11,211,908	11,099,129
Total Operating Expenses + Transfers Out	\$51,001,245	\$59,231,790	\$58,697,957	\$61,281,582

Fiscal Year 2024 Operating Expense By Division



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

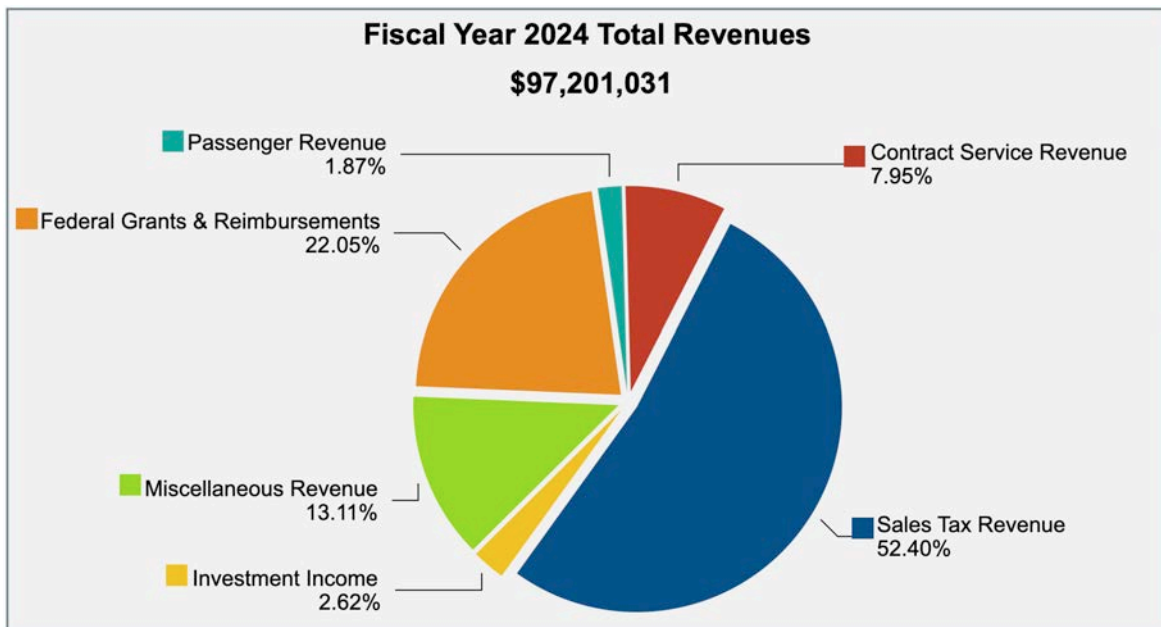
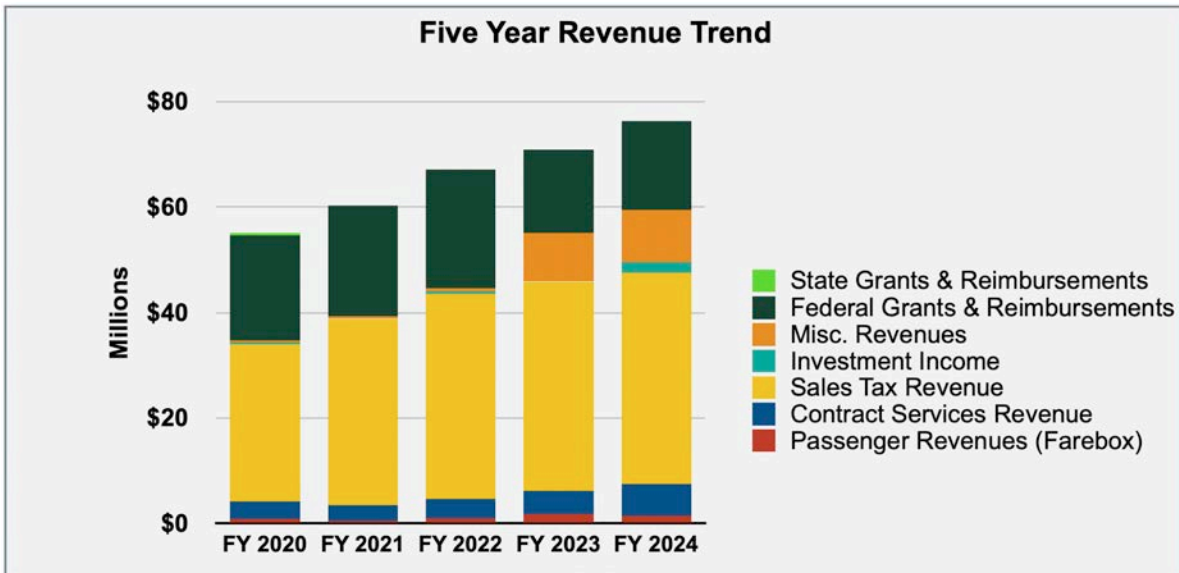
Fiscal Year 2023 Operating Expense By Division



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

Revenue Sources - Five Year Trend

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Working Budget	FY 2024 Adopted Budget
Revenue Source					
Passenger Revenues (Farebox)	\$833,637	\$548,078	\$933,776	\$1,797,627	\$1,426,442
Contract Services Revenue	3,378,826	2,923,277	3,721,321	4,354,021	6,065,584
Sales Tax Revenue	29,817,364	35,332,154	38,808,188	39,646,685	40,000,000
Investment Income	320,793	31,178	462,425	6,000	2,000,000
Misc. Revenues	419,977	502,552	681,289	9,255,072	10,003,458
Federal Grants & Reimbursements	19,877,331	20,969,469	22,564,212	15,843,869	16,826,328
State Grants & Reimbursements	438,548	73,895	55	-	-
Total Revenue	\$55,086,476	\$60,380,603	\$67,171,266	\$70,903,274	\$76,321,812



Budget Assumptions

The focus for the FY24 budget was one of stabilization. Being a few years removed from COVID and seeing ridership return to pre-pandemic levels, as well as a return to some normalcy, allowed the team to focus more on the future growth for the agency.

The following factors served as the building blocks for the fiscal year 2024 budget and are outlined in more detail in the following pages:

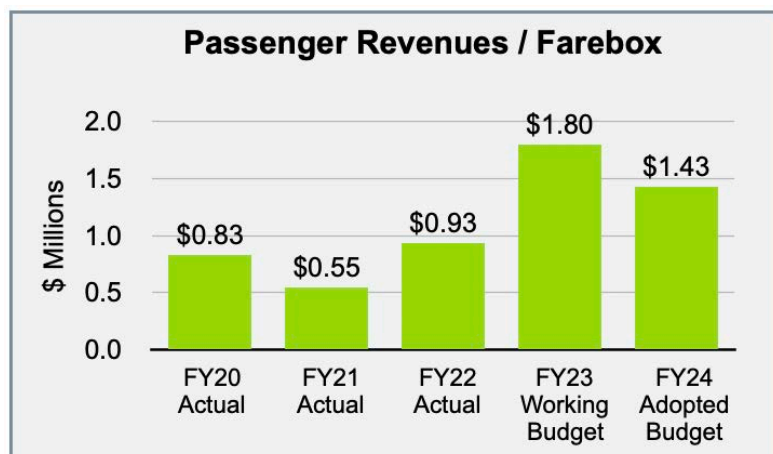
- Slight increase in sales tax revenue
- Increase in passenger revenues
- Increase in GoZone on-demand service
- Streamlined Connect service with higher frequencies
- More accurately identify projects and drawdowns for federal grant funding

Revenue & Other Income

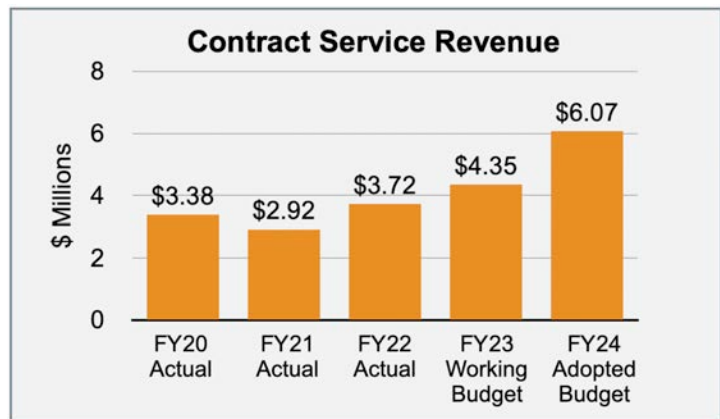
Department specific revenue budgets, such as Passenger Revenues (Farebox), are the responsibility of the department since the staff in each department is the most knowledgeable source of information. Likewise, the Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are 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 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 \$1.4M for FY24 which is a slight increase to FY23 actuals. GoZone ridership is planned level between last year and this fiscal year. And, rail passenger fares is estimated to have a 15% increase.



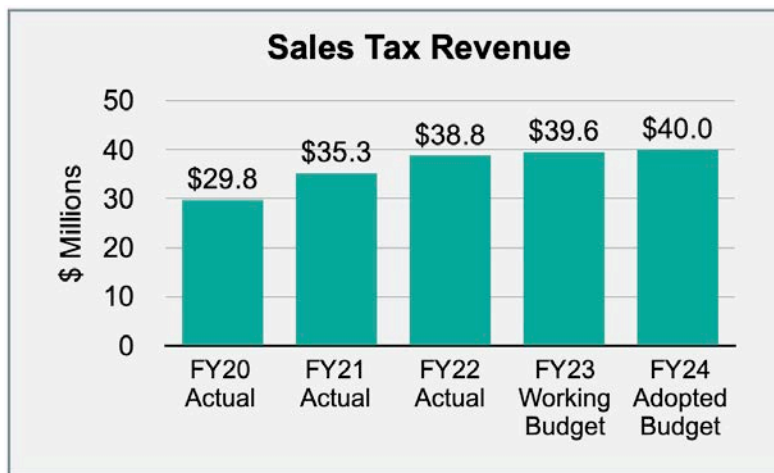
Contract service revenue consists of revenue or income related to providing transit services to UNT, Frisco, and Coppell. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components. The FY24 budget reflects a 39% increase (or \$1.7M) over the FY23 working budget and is based on current contract rates for each service.



Sales Tax Revenue

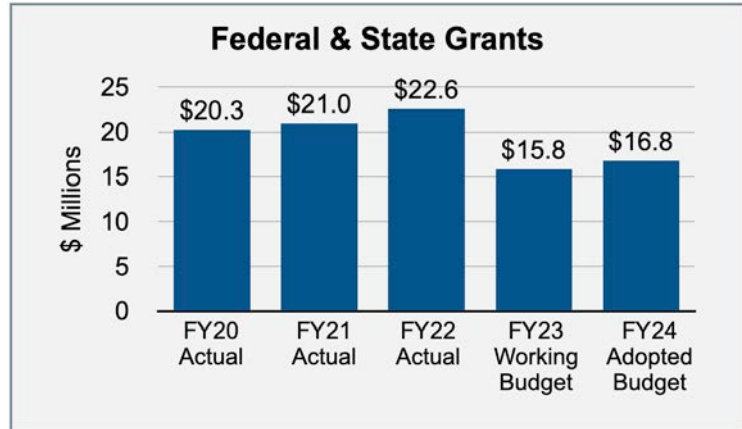
Sales tax represents the single largest source of revenue for DCTA at 52.41% for the Fiscal Year 2024 budget. With the ever-changing economy, it has always been the philosophy of staff and the Board to budget sales tax conservatively. In addition, the changing landscape with consumers migrating to on-line 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. The authority collects a one-half percent sales tax in member cities. Sales tax revenue for the FY24 budget year is fairly level to the sales tax budget for FY23. 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. That is also addressed in the Appendix section of this document.



Grants & Reimbursements

The revenue obtained through grants forms a crucial part of DCTA's income, sourced from both federal and state government grants. Predominantly, the agency relies on federal formula funds, secured through the Federal Transit Administration's annual Program of Projects. On average, DCTA receives an apportionment of \$11 million in formula funds.



For the 2024 fiscal year (FY24), DCTA has budgeted \$16.8 million in federal grant revenue. It is essential to note that all grant funds are received through a reimbursement process, with drawdown requests initiated post-expense payment.

Operating grants serve to finance various on-going operational costs, including: preventive maintenance for bus and rail operations; eligible bus transit and micro-transit operations; and the vanpool program. The majority of these funds are associated with the 5307, 5337, and 5339 categories, for which DCTA holds the designation as the recipient for the Denton-Lewisville UZA.

Operating Expenses & Associated Grants	FY24 Operating Expense	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
		%	\$	%	\$
Operating Assistance					
TX-2023-074-00	\$6,564,764	50%	\$3,282,382	50%	\$3,282,382
ADA Operating Assistance					
FY2021 Sec 5307	770,317	0%	-	100%	770,317
Bus Preventive Maintenance					
FY2020 Sec 5339	672,873	20%	134,575	80%	538,298
FY2021 Sec 5307	1,052,844	0%	-	100%	1,052,844
FY2021 Sec 5339	581,520	0%	-	100%	581,520
FY2022 Sec 5339	581,255	20%	116,251	80%	465,004
FY2023 Sec 5339	97,083	20%	19,417	80%	77,666
Rail Preventive Maintenance (Fixed Guideway)					
FY2022 Sec 5337	3,348,447	0%	-	100%	3,348,447
FY2023 Sec 5337	3,988,261	0%	-	100%	3,988,261
TOD / KCS Study					
TX-2021-052-00	585,700	20%	117,140	80%	468,560
Total Operating Expenses & Associated Grants	\$18,243,064		\$3,669,765		\$14,573,299

Capital grants play a pivotal role in financing various capital projects, including: fleet replacement; construction, technology acquisition, and the implementation and enhancement of Positive Train Control. For FY24, the budget allocates \$2.6 million specifically for capital grants.

Capital Projects & Associated Grants	FY24 Capital Project Expenditure	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
		%	\$	%	\$
Positive Train Control (Phase 2)	\$2,022,560	20%	\$404,512	80%	\$1,618,048
Old Town ITC (Relocation Expense)	634,981	0%	-	100%	634,981
Total Capital Projects & Associated Grants	\$2,657,541		\$404,512		\$2,253,029

Investment Income

Investment income has shown a significant increase in FY23. This was not budgeted in FY23 but was invested during the fiscal year. During FY23, DCTA Finance team invested funds according to a board-approved investment policy. The result was a significant amount of revenue during FY23 that was not budgeted. In keeping with this investment approach, the FY24 budget includes estimated revenue from investment income. 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.

Within the Interlocal Agreement for service provision, DCTA provides 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 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.

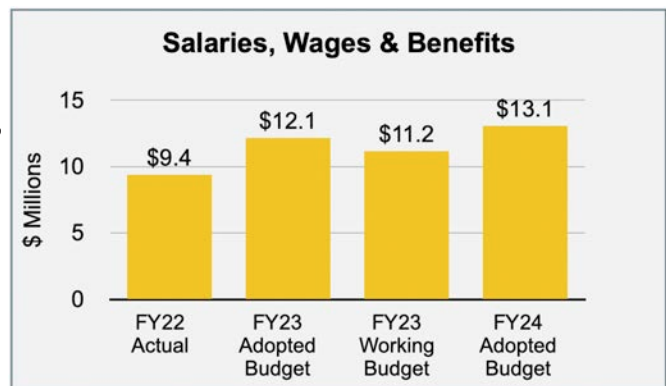
All other operating expenses for bus operations are included in the DCTA operating budget. The NTMC budget is fully funded by DCTA.

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 FY24 budget reflects an 16.95% increase compared to the FY23 working budget for this category.

This is a result of an increase in salaries as well as increased rate for medical renewal for the new fiscal year.



The FY23 working budget reflected a reduction in positions that were reallocated to new positions in FY24.

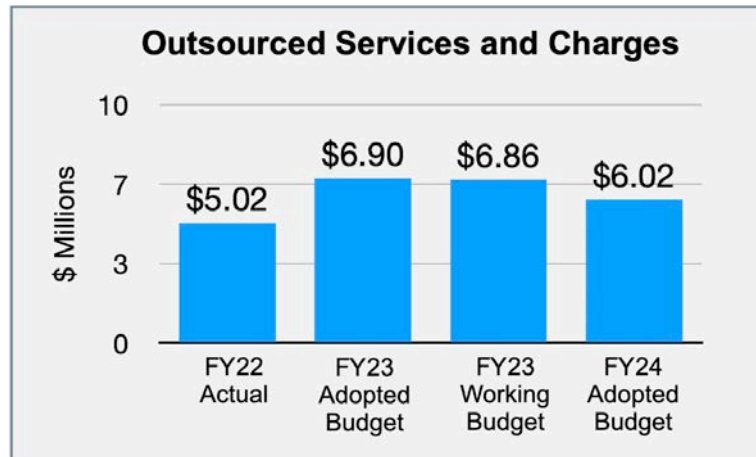
The FY24 budget includes six new Coordinator positions which are entry level positions across several departments, as well as a Planning & Development Analyst. Total DCTA staff is 43 positions. Please refer to the Full-Time Equivalent Comparison Schedule for a more detailed breakdown.

This budget incorporates an increase of 19% in health care benefits for DCTA and 7% 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 \$20.85 for the months of October through March, and \$22.10 for April through September for an average of \$21.48 for operators. Operator rates are outlined by the Union CBA currently in place.

The FY24 budget also incorporates a 5% cost of living adjustment across the agency in hopes of counteracting the effects of inflation on employee households. In addition employees could earn up to 4% merit increase. 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 conducted a compensation study in FY23 to ensure all employees fell in that mid-point range to show appreciation for their work and to instill employee retention.

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 FY24, Outsourced Services & Charges represent \$6M. Many of these are one time expenses which are made up of the following projects:

*** Strategic Planning: Long-Range Service Plan (LRSP)**

The last LRSP was completed in 2012 so it is imperative it gets updated. This plan will identify a prioritized, cost-constrained implementation and growth strategy across all DCTA modes. Total budget impact is estimated at \$600K. This is a roll-over from FY23.

*** Strategic Planning: On-Call Planning Services**

The Board of Directors 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 and alternatives analysis related to NTMC, review and improvements to the DCTA Cost Allocation Model, scenario planning and support for discussions with nonmember cities for contracted services in support of the 2030 ridership goal. This is also a continuation of a budget item from FY23, and represents \$500K for these anticipated professional services.

***Marketing and Advertising: 3rd Party Advertising Management Firm**

DCTA's Board of Directors and executive management have identified transit advertising as a goal and a potential untapped source of revenue for the agency in recent meetings. Transit advertising has shown itself to be a best practice in the United States, with many transit agencies using their assets to generate advertising revenue. This will allow the agency to hire a third-party firm to create and manage an advertising program at DCTA which oversees the implementation of a process using DCTA assets as media for advertising by other entities. These assets could include train cars and buses (interiors and exteriors, including full wraps), train stations, the Downtown Denton Transit Center, bus shelters and bus benches. The third-party firm would manage the details of the endeavor, with oversight, management and guidance from DCTA Marketing & Communications. This represents \$250K for FY24.

***Human Resources: Job Description & Classification Review Consultant**

DCTA conducts a compensation study every three years with a goal to remain competitive within the marketplace and to attract and retain employees. The compensation study typically includes an examination of DCTA's current compensation plan and position hierarchy. This study is done in accordance with generally accepted compensation methods and in accordance with

applicable federal and state laws. In FY23, DCTA Staff undertook the first phase of the compensation study by identifying American Public Transportation Association (APTA) peer agencies and analyzing the salaries and structure of those agencies as well as the DCTA member cities. As part of the next phase on the compensation study, staff is requesting a professional human resources consulting firm be brought in to analyze all DCTA job descriptions to ensure accuracy and identify gaps while assisting the agency is assessing the best classification and corresponding salary levels for each individual based on job duties and specialized education or certification requirements. This represents \$30K for FY24.

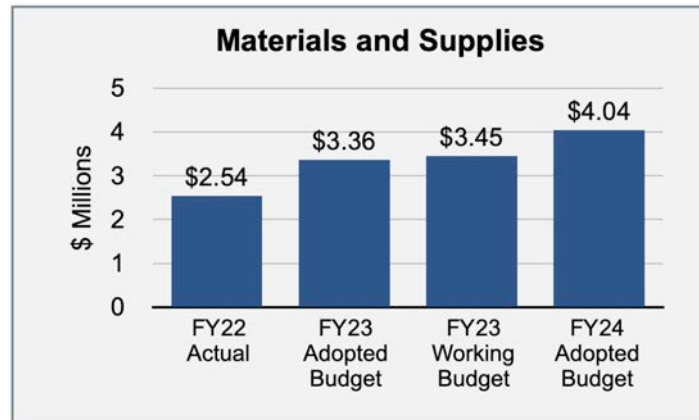
***Human Resources: Executive Coaching**

In an effort to develop executive leaders, build cohesion within the organization, improve performance, encourage professional development, and enhance culture of servant leadership, the Board of Directors approved \$40K for the first year of executive coaching. Half of Leadership Team will embark on this program in FY24, and the rest the following year. The consultant will collect individual, peer, and colleague data on participants and create a customized development plan. In addition, monthly coaching will take place for a one-year timeframe.

***Bus Operations Parking Lot Repairs**

This is an effort to correct the deferred maintenance of the parking lot at Bus Operations facility. The parking lot is experiencing substrate and cracking issues due to water intrusion under the concrete surface. This represents \$47K in FY24.

Materials & Supplies



This expense category includes office supplies, non-capital expense for furniture and computers, fuel, parts, and lubricants for operations, etc. In FY24, Materials & Supplies represents \$4M. One of the drivers in this category is fuel. Fuel is budgeted at \$5.25/gallon for rail, and \$4.00/gallon for bus operations. Both estimates are based on fluctuations in fuel over the last couple of years, but also taking into consideration actuals in FY23.

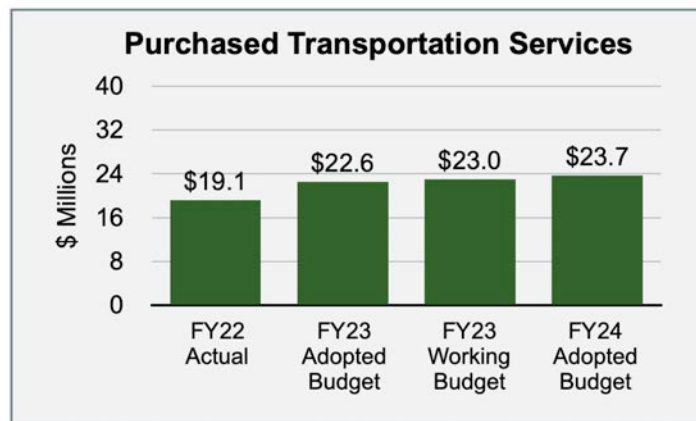
Utilities

This expense category includes gas, electric and communication expenses. The FY24 budget is just less than \$800K. This includes an electric rate of \$0.07132 from Mid-American Energy. Additional funds also anticipated an increase for gas prices from Atmos gas since that has risen within the last year.

Insurance

This expense category includes liability and property coverage as well as workers compensation insurance. The budget item reflects an 6.7% decrease to FY23. This year insurance was budgeted against the premium's actuals instead of estimates in order to try to tighten up the budgeting in this category.

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 \$11.8M in FY24 and is based on the current contract rate. It also assumes \$200K for the Positive Train Control (PTC) contingency for operational costs.

The Frisco demand response contract service is also included under Purchased Transportation and is based on the current contract. This still serves the Frisco Contract but starting in FY24 this will show under Demand Response/Directly Operated (DR-DO) account.

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. The funding for this service is shown under Mobility as a Service (MaaS).

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. Currently MaaS is made up of Trinity Metro Alliance, Coppell Contract Service, and Vanpool.

Vanpool service has increased by \$53K in FY24 based on current service trend. In 2023 DART terminated their vanpool program so that led to more customers to sign up for DCTA’s Vanpool. DCTA’s portion of the expense is 100% grant funded.

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 FY24, this contract increased purchased transportation by \$150K compared to FY23.

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 long-term debt issuance and includes the interest payments. In FY21, DCTA refunded its existing 2009 debt and issued a Sales Tax Revenue Refunding Series 2020 bond issue for \$12.93 million and refunded its existing 2011 debt and issued a Sales Tax Refunding Series 2021 bond issue for \$9.94 million. The FY24 budget reflects the principle and interest payments for these outstanding debts. Please refer to the debt tables on the following pages for additional information.

Debt Schedule 2020

Sales Tax Revenue Refunding Bonds, Series 2020
\$12,930,000

DATE: November 19, 2020

INTEREST

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

PURPOSE

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

SECURITY

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

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 2021

Sales Tax Revenue Refunding Bonds, Series 2021
\$9,940,000

DATE: September 30, 2021

INTEREST

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

PURPOSE

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

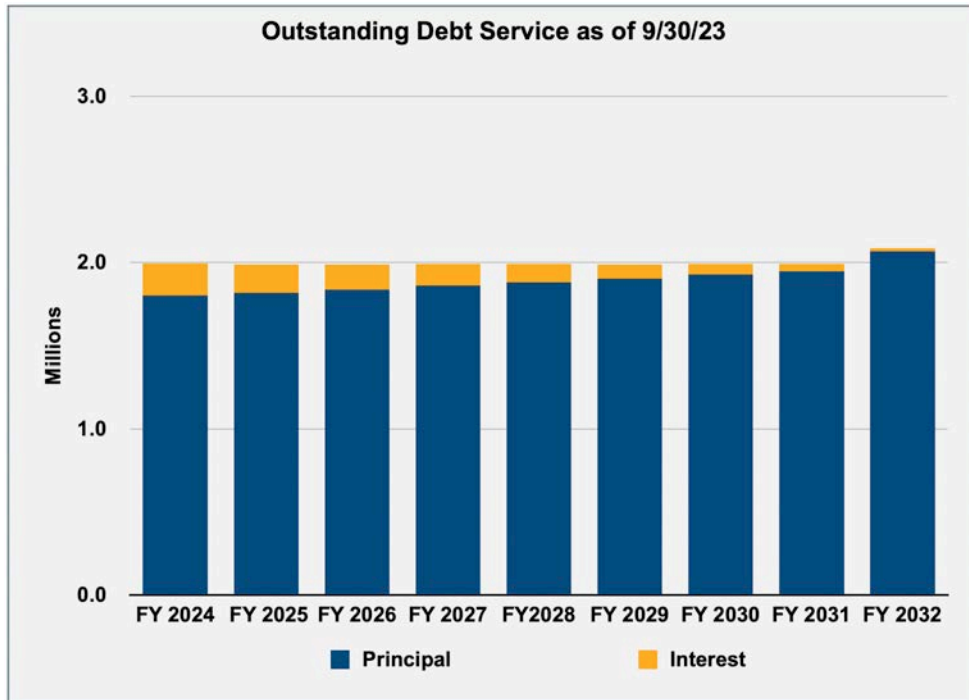
SECURITY

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

	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

Outstanding Debt Schedule Table as of 9/30/2023

Fiscal Year	Principal	Interest	Total
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	\$17,025,000	\$969,967	\$17,994,967



Full Time Equivalent (FTE) Comparison

Division Summary				
	FY 2022 Working Budget	FY 2023 Working Budget	FY 2024 Adopted Budget	Variance
GENERAL & ADMINISTRATIVE DIVISION				
President/CEO Department	1.00	1.00	1.00	0.00
Administration Department	2.00	2.00	2.00	0.00
Finance Department	13.00	7.00	10.00	(3.00)
Strategic Planning & Development Department	3.60	2.50	4.00	(1.50)
Marketing & Communications Department	5.00	5.00	5.00	0.00
Customer Service Department	0.00	0.00	1.00	(1.00)
Procurement & Compliance Department	0.00	6.60	2.00	4.60
Human Resources Department	2.00	3.00	3.00	0.00
Innovation & Technology Department	4.00	3.50	6.00	(2.50)
BUS OPERATIONS DIVISION				
Mobility Services Department	6.40	6.70	8.00	(1.30)
RAIL OPERATIONS DIVISION				
Rail Operations Department	4.00	3.70	2.00	1.70
Total DCTA FTE Staff	41.0	41.0	44.0	(3.00)
THIRD PARTY CONTRACT OPERATIONS				
Bus Administration Department	3.00	3.00	4.00	(1.00)
Customer Service Department	9.00	8.00	7.00	1.00
Supervisors/Dispatchers Department	13.00	19.00	9.00	10.00
Maintenance Department	16.00	15.00	15.00	0.00
Bus Operators	49.00	62.00	60.00	2.00
CONTRACTED BUS SERVICES (NTMC)*	90.00	107.00	95.00	12.00
CONTRACTED RAIL SERVICES (FIRST TRANSIT + SUBCONTRACTORS)	49.00	49.00	49.00	0
Total Third Party Contract Operations	139.00	156.00	144.00	12.00
* Contracted Bus Services FTE Methodology is based on operator pay hours.				

Division Budgets



Operating &
Capital Budget

2024

Office of the CEO and Board of Directors

The Office of the Chief Executive Officer (CEO) 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 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$377,284	\$421,765	\$491,129
Outsourced Services & Charges	979,642	290,500	270,700
Materials & Supplies	455	12,193	20,300
Utilities	-	-	-
Insurance	-	-	-
Employee Development	59,745	94,166	122,069
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$1,417,125	\$818,624	\$904,198
Staffing			
CEO	1.00	1.00	1.00
Executive Assistant/Board Manager	-	-	1.00
Total	1.00	1.00	2.00

Office of CEO & Board of Directors
Looking Ahead
FY24 Objectives & Performance Measures

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

- Standup internal data management and analytics capability focusing on safety, service, and ridership performance.
- Lead Board to decision and implement Intermediate Service Plan (ISP) Phase I.
- Progress Bus Stop Infrastructure Planning and Design implementation ensuring it is concurrent with ISP.
- Implement cadence of annual strategic planning workshops with the Board and tie it to critical components of Long Range Service Plan.
- Complete the approved DCTA staffing plan.
- Provide leadership to regional collaboration among transit community to identify and progress strategic initiatives identified by DCTA and the Regional Transit 2.0 initiative.
- Maintain positive working relationships with the Denton County Commissioners Court and cities.

Provide exceptional client service through the full cycle of transportation engagement transaction, service delivery, feedback, and follow-up

- Lead staff definition of agency Core Values and collaborate with Board of Directors to adopt new Mission, Vision, and Core Values for the agency.
- Stand up an insourced, single point of contact DCTA customer service function for all modes.
- Identify and simplify DCTA Pass and Fare structure and technology interface and integrate with regional partners.
- Identify and drive efficiencies for NTMC through the collective bargaining process and enhance its alignment with DCTA.
- Implement agency Marketing and Communications plan to enhance the DCTA brand, value, ridership and revenue growth across Denton County and member cities.

Office of CEO & Board of Directors

Looking Ahead

FY24 Objectives & Performance Measures

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

- Integrate DART Silver Line operations into the DCTA Joint Rail Operations Facility and A-train (upon DART's request)
- Progress Board's preferred alternative on A-train investment to increase frequency, extension to Downtown Carrollton, and / or addition of a station at Corinth.
- Progress the Board's preferred alternative on Transit-Oriented Development at Old Town Lewisville.
- Progress Enterprise Resource Program implementation.
- Define next phase of major service contracts for Mobility as a Service, Rail Operations & Maintenance, etc.
- Ensure bus fleet heavy maintenance and replacement plan.
- Enhance mobility as a service model with cost-effective, responsive service to nonmember cities to increase DCTA value to the region while protecting member city resources and assets.
- Create positive environment and culture for employees of DCTA and NTMC for professional growth and success with competitive pay and benefits. Define and execute annual training and development program. Define career path alternatives for various positions among DCTA and NTMC staff.

Office of CEO & Board of Directors

Performance Measure Results

FY23 Progress Report

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

- Reinforce and strengthen safety culture at DCTA
 - DCTA hired a Director of Safety who established a monthly safety performance report, is collecting and communicating safety data, and beginning to establish a Safety Management System.
- Develop measurable and easily communicable metrics and measures around safety, service, and ridership at the Agency
 - Defined key performance indicators for safety, service, and ridership and stories: called "Our Own and Others".
 - Initiated weekly reviews of safety, service, and ridership performance for the Leadership Team Process to drive continuous improvement and sets foundation for the future.

Office of CEO & Board of Directors
Performance Measure Results
FY23 Progress Report

- Create long-range service plan and align with Board on course to deliver 3 million passengers by 2030 across all modes.
- The long range service plan was deferred from 2023 due to onboarding staff required to deliver the plan, and because ridership performance far exceeded expectations requiring our conceptual ridership goal to be re-visited and a new baseline established.
- Develop and maintain relationships with cities across Denton County and Commissioners Court to understand opportunities and deliver value through DCTA.
- Staff represented the Agency at 75 events across the three member cities in 2022. In FY 2023, the DCTA CEO provided agency updates to the City Council in Highland Village, Lewisville, and Denton. The agency also conducted more than 95 outreach events to build relationships with our stakeholders and customers in those communities.

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

- Create and align with Board of Directors on mission, vision, core values, and strategic goals and objectives for the Agency.
- Staff briefed the Board in January 2023 on the draft Mission, Vision, Values and will be finalizing those with the Board in FY 2024. Strategic goals and objectives will be formulated and incorporated into the Long Range Service Plan in FY 2024.
- Ensure frictionless interaction for clients through effective information sharing, adequate scheduling, and technology platforms.
- Created vision and secured position to standup a data analytics function to automate communication related to DCTA operations and performance. Installed hardware on bus fleet to enable automated stop announcements and passenger counts.
- Establish standards and regularly communicate with Board and stakeholders on key performance indicators for safety, service and ridership across all modes
- DCTA initiated repeatable, consistent processes and monthly reports to communicate our critical key performance index (KPIs).
- Integrate DCTA pass and fare structure with regional agency partners
- DCTA progressed conversations with DART, North Central Texas Council of Governments (NCTCOG), and technology providers to understand the landscape of fare structures in DFW and how fares are paid. DCTA initiated an initial fare analysis to understand current status of the DCTA program, and is providing leadership in the “Regional Transit 2.0” initiative by NCTCOG to shape regional fare policy before taking the topic up again for DCTA specifically.

Office of CEO & Board of Directors
Performance Measure Results
FY23 Progress Report

- Identify and progress alternatives to integrate Connect and UNT shuttle systems and modify existing agreements to accommodate evolution.
- DCTA progressed the intermediate service plan, which establishes methodology for evaluating potential capture of GoZone rides within travel shed of existing bus stops and routes. In addition, DCTA developed methodology to identify cost per rider in fixed route and GoZone service to help inform the effort.

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

- Develop and maintain relationships with business and economic development stakeholders across Denton County to align support for economic expansion opportunities as a preferred partner.
Collaborated with City of Denton and City of Lewisville on development opportunities at Downtown Denton Transit Center and Old Town Station, respectively.
- Ensure DCTA planning efforts align with regional partners, member cities, Denton County, and NCTCOG.
- Established robust communication channels with planning departments in all three member cities that enabled a high degree of engagement on the Transit Oriented Development study. Established specific lines of communication with the City of Denton for engagement in their Downtown Master Plan effort and redevelopment of the Downtown Denton Transit Center. Also worked closely with the City of Lewisville for progressing a specific development plan for the Old Town station site.
- Maximize cost-effectiveness and sustainability of DCTA services
 - Established methodology to calculate cost per passenger on fixed route and Go-Zone service, enabling decision-making in FY2024 to optimize modal share between the two services in Denton.
- Identify alternative capabilities and emerging technologies for potential to deliver value and ridership through DCTA
- DCTA installed hardware to enable automated stop annunciation and passenger counting on the fixed route system. DCTA also progressed conversations with DART, NCTCOG, and technology providers to understand the landscape of fare structures in DFW and how fares are paid to better evaluate technology alternatives that integrate fares and passes across the service area and region.
- Establish servant leadership model and provide resources to reinforce culture of servant leadership at DCTA that permeates every level of internal and external interaction
 - Conducted 5 workshops with Leadership Team and overall staff to define achievement of servant leader model behaviors. Instituted evaluation of Servant Leadership performance within the performance management system for the FY2023 year-end review process.

Administration

The Administration Division at DCTA provides administrative support for the Agency as well as office coordination and maintenance.

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$104,758	\$218,566	\$84,384
Outsourced Services & Charges	57,337	44,310	66,000
Materials & Supplies	10,234	20,430	18,000
Utilities	43,425	44,210	46,610
Insurance	-	-	-
Employee Development	1,012	6,720	5,850
Leases & Rentals	119,284	144,159	138,638
Depreciation	66,626	-	66,626
Total Dept Budget \$402, 676	\$402, 676	\$478,395	\$426,108
Staffing			
Executive Assistant/Office Coordinator	1.00	1.00	-
Receptionist	1.00	1.00	1.00
Total	2.00	2.00	1.00

Finance

The Finance Division seeks to provide the highest quality financial management, support, fiduciary oversight, and public accountability to the DCTA Board and stakeholders. In pursuit of this outcome, the Finance team 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 accounting and financial reporting, budget and long-range financial planning, treasury and investing function, and risk management.

Finance

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$1,137,299	\$731,939	\$1,353,123
Outsourced Services & Charges	956,089	376,200	348,120
Materials & Supplies	-	200	1,700
Utilities	-	-	-
Insurance	14,539	16,707	16,523
Employee Development	12,163	19,795	329,000
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$2,120,090	\$1,144,841	\$2,048,466
Staffing			
Accountant II	1.00	1.00	1.00
Accounting Coordinator	-	-	1.00
Accounting Manager	1.00	1.00	-
Accounts Payable Coordinator	1.00	1.00	1.00
AVP, Regulatory Compliance Officer	1.00	-	-
Chief Financial Officer	1.00	1.00	1.00
Controller, AVP of Finance	1.00	1.00	-
Director of Safety & Compliance	-	-	1.00
Financial Data Analyst	1.00	1.00	-
Finance Assistant	1.00	-	-
Grants/Budget Coordinator	-	-	1.00
Manager of Contracts & Procurement	1.00	-	-
Procurement Specialist	1.00	-	-
Procurement & Payroll Coordinator	-	-	1.00
Senior Manager of Accounting	-	-	1.00
Senior Manager of Budget	1.00	1.00	1.00
Senior Manager of Grants	1.00	-	1.00
Senior Procurement Specialist	1.00	-	-
Total	13.00	7.00	10.00

Finance

Looking Ahead

FY24 Objectives & Performance Measures

- Progress the long-range financial plan to the next level of detail so rail capital maintenance, bus fleet and facility requirements align and reflect long-term support and funding.
- Continue to evaluate and evolve the budgeting process to enable clarity on cost centers for each transportation service offering: GoZone, Connect, UNT, Mobility Services, etc.
- Continue to evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system.
- Lead agency through implementation of an enterprise resource planning (ERP) solution for Finance and Procurement and produce and develop alternatives for future integration for Human Resources.
- Support strategic efforts including Intermediate Service Plan, Old Town Lewisville TOD, A-train Enhancement, NTMC collective bargaining, next generation service contracts, fare study and regional integration, and others with cost and financial information that enables executive and board decision making.
- Ensure repeatable, quality processes for all functions of the agency. Evaluate Finance Organization staffing and systems. Identify, align and implement opportunities for improvement.
- Develop cost model for service delivery to nonmember cities, universities, and other major demand drivers that ensures protection of member city funds and encourages membership in DCTA.

Finance

Performance Measure Results

FY23 Progress Report

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

- Develop long-range rail capital maintenance program, bus fleet maintenance plan and facility program and align / reflect within DCTA long-range financial plan.
- This was started and addressed with the FY24 budget planning. All current and future funding was reviewed and appropriated in the proper years of when the planned expense would hit the books. Further work will be done on this in a strategic meeting with the board and executive team early in the calendar year for 2024.
- Evaluate finance organization staffing and systems. Identify, align, and implement opportunities for improvement.
- This was also done along with the FY23 budget process to look at the finance staff as a whole and determine any shortcomings in positions. As a result, three new Coordinator-level Finance positions were requested in the FY24 budget to support the team with day-to-day business operations and reporting.

Finance

Performance Measure Results

FY23 Progress Report

- Evaluate budgeting process to enable clarity on cost centers for each transportation service offering: GoZone, Connect, UNT, Mobility Services, etc.
 - Different looks for this were developed in FY23 and are being enhanced and finalized in FY 2024. You will see this as a goal for FY24 to nail down the look and data we want to capture and report on for the executive team and the board.

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

- Evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system.
 - This goal has been added to FY24.
- Implement expanded level project: Enterprise Resource Planning (ERP) System Implementation
 - Due to staffing shortages in Finance and across the agency as well as hiring and training, this project has moved to FY24. Plans and processes are implemented to ensure this is a successful implementation that will take place over the next two years.

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.
- This is an ongoing process that also is a goal for the organization. During FY24 budget the organization, working with its third-party Rail vendor/consultant, funded \$3.76M in rail capital improvements. Further, during the FY24 budget cycle, the organization's long-range capital plan was discussed and approved, providing significant funding for rail capital improvements well into the future.
- 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
- We have continued to apply for and win these awards. It is something we are very proud of as an agency and strive to achieve year over year.

Planning & Development

The Planning & Development Division provides direction in all strategic planning and development functions for the organization. The department is responsible for establishing a framework for sound decision-making for member city services and for the deployment of system-wide planning in the context of the regional metropolitan transportation planning system.

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$511,839	\$91,850	\$701,583
Outsourced Services & Charges	24,833	1,656,318	1,107,650
Materials & Supplies	-	100	250
Utilities	-	-	9,960
Insurance	-	-	-
Employee Development	9,859	18,900	35,370
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$546,530	\$1,767,168	\$1,854,813
Staffing			
Deputy CEO	0.60	0.50	-
Director of Government Relations	1.00	-	-
Executive Assistant & Board Process Manager	1.00	1.00	-
Manager of Data Management & Analytics	-	-	1.00
Planning & Development Coordinator	-	-	1.00
Planning & Data Analytics Manager	1.00	1.00	1.00
VP Planning & Development	-	-	1.00
Total	3.60	2.50	4.00

Planning & Development

Looking Ahead

FY24 Objectives & Performance Measures

- Build data analytics function and processes for the agency, including hiring budgeted Data Analytics Manager position, phasing a plan for implementation that informs decisions and supports DCTA's mission.
- Progress Intermediate Service Plan (ISP) phase I by August 2024 and illustrate opportunities to evolve university fixed route service contracts with additional service and revenue. In conjunction with the ISP, lead staff, gain alignment with leadership team, and enable Board decision that logically connects these two programs and enables implementation of initial phase of Bus Shelter Improvements at the appropriate time.
- Progress planning and design to enhance the A-train service at DCTA. Lead staff, gain alignment with leadership team and external stakeholders on program schedule, and enable Board decisions that progress next phase of the A-train enhancement program. Develop alternatives for current A-train operating plan that reduces OPEX with minimal impact to ridership. Execute bid and construction of the Joint Rail Operating Facility (JROF) project as directed by DART.
- Lead preparation for Board of Directors strategic offsite meeting and lead development and execution of the Long Range Service Plan solicitation, scope, and completion.
- Lead the re-solicitation of the existing engineering and planning and development services scope and award new consultant contracts prior to expiration of current agreements.
- Lead staff, gain alignment with leadership team, and external stakeholders on the program, and enable Board decisions that progress the next phase of the Old Town Lewisville TOD.
- At DART's request, complete the JROF design process with integration safety considerations and prepare the project for bid. Lead implementation phase with on-time and on-budget delivery of the facility based as directed by DART.

Planning & Development

Performance Measure Results

FY23 Progress Report

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

- Establish methodology for each mode within long-range service plan to meet 2030 ridership goal
- The long range service plan was pushed to 2024 for scope development. Ridership grew more than 30% this year to more than 2.9M rides across all modes as a result of the investments made in GoZone capacity and bus frequency. It can also be attributed to the overall transit market returning. DCTA will take up the topic of a 2030 ridership goal using this success as a new baseline.

Planning & Development
Performance Measure Results
FY23 Progress Report

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
 - DCTA completed analysis and developed a program of projects “Enhance the Value of the A-train” which includes extending the train to Downtown Carrollton. In addition, DCTA included a needs-based, long-range capital plan for A-train maintenance in this year’s long range financial plan, providing a basis for further refinement and development in FY24.
- Deliver Joint Rail Operations and Maintenance Facility, upon DART’s request
 - DCTA completed design of the Joint Rail Operations and Maintenance Facility in FY24.
- Develop and maintain communications standards and protocols for engagement with Board and public for regular operations and contingency scenarios
 - DCTA re-oriented the “public involvement & communications” team to “Marketing and Communications” team in FY23 in order to develop these standards and protocols. See goal below for additional information.
- 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.
 - DCTA accomplished this goal with the hiring of a new Director of Marketing and Communications. Following that hire, the Board approved a re-vamp of the existing marketing-related positions that included new titles and job descriptions. Those team members were hired over the course of FY23 and are currently in place with goals and objectives to guide their efforts in FY24.
- Execute cadence of dialogue to ensure planning alignment with regional partners, member cities, Denton County, and NCTCOG
 - DCTA remains engaged with our member cities, nonmember cities, Denton County, and NCTCOG on a host of topics, operational and administrative. DCTA worked closely with the cities this year to complete the Transit Oriented Development (TOD) study and coordinate infrastructure planning efforts like the bus stop infrastructure study. From a regional perspective, DCTA’s dialogue with NCTCOG and the DCTA Board’s support enabled DCTA to take on the Collin County Rides program.

Planning & Development
Performance Measure Results
FY23 Progress Report

- Implement expanded level project: execute member city transit-oriented development (TOD) study
 - This project is on schedule for completion. The initial deliverables are in-hand and DCTA is working with participating cities to craft tailored public engagement and education approaches. The Old Town Lewisville site plan is complete and will be used as a basis for strategic discussion with the DCTA Board in a January strategic planning session.
- Ensure repeatable, quality processes for all functions of the Agency
 - DCTA has hired 21 new employees over the course of FY 2023 and has worked diligently to create the processes needed for the agency to run effectively. We anticipate more progress on this goal in FY 2024 as the team continues to strengthen

Marketing & Communications

The DCTA Marketing & Communications Division provides strategic marketing and communications counsel and programs to promote the Authority, by building key messages, brand identity, and brand awareness. The Marketing & Communications team works on behalf of the Authority, Board of Directors, and DCTA departments to direct critical internal and external communications via proactive and reactive social media, digital communications, media relations, public involvement, community outreach, and customer service.

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$405,099	\$495,978	\$646,482
Outsourced Services & Charges	448,525	945,970	872,450
Materials & Supplies	19,824	33,150	34,050
Utilities	-	-	-
Insurance	-	-	-
Employee Development	10,195	26,650	35,500
Leases & Rentals	2,420	4,500	5,500
Depreciation	-	-	-
Total Dept Budget	\$886,062	\$1,506,248	\$1,593,982
Staffing			
Director of Marketing & Communications	-	-	1.00
Director of Public Involvement & Communications	1.00	1.00	-
Community Relations Manager	1.00	1.00	1.00
Community Relations Specialist	1.00	1.00	-
Communications Specialist	1.00	1.00	1.00
Marketing Business Development	-	-	1.00
Marketing Specialist	1.00	1.00	1.00
Total	5.00	5.00	5.00

Marketing & Communications

Looking Ahead

FY24 Objectives & Performance Measures

Annual Marketing and Communications Program

- Create and lead annual marketing and communications program to promote DCTA transit modes and services in the Denton County community and across the service area, through professional and engaging communications using collateral and printed materials, social media, website and blogsite, email, advertising, community relations and public relations. Clearly define and articulate campaigns within the program, enable early executive visibility and opportunity for input, and collaborate across the organization for same. Build relationships and collaborate closely with member cities and county PIO staff to amplify the DCTA message.

MarCom Reporting

- Create a process and standard for monthly reporting structure and measurement of Marketing & Communications activity for use in Board meetings and other appropriate venues. Establish baseline, metrics to measure success, and annual goals for engagement through social media, community engagement, and business development. Create structure for monthly reporting to communicate progress, trends, and incremental improvements to approach as needed.

Build Pass Sales and Revenue Advertising Program

- Work with leadership and stakeholders to build a Revenue Advertising Program allowing for advertising on DCTA assets that generate ancillary revenue. This should include development of a Board Policy, and execution of an RFP process to hire a third-party firm to build the program and analyze assets for potential advertising availabilities. Create systems and processes to facilitate sales goal setting, business development, lead tracking, and success capture. Provide resources and coaching as needed to ensure success.

Increase DCTA Visibility in the Community

- Maximize touchpoints and increase DCTA visibility in the communities we serve through community engagement, including relationships with Member Cities, County Commissioners, stakeholders, Community Relations events and relationships, business community relationship building, and communications integration with DCTA's emerging Customer Service business function. Establish baseline, metrics to measure success, and annual milestones for the program.

Community Advisory Committee (CAC) Overhaul

- Cast vision, gain alignment, and implement overhaul of the Community Advisory Committee. Leverage the program to create "transit ambassadors" who amplify DCTA's positive message and stakeholder value in the communities we serve.

Create Crisis Communication Infrastructure

- Working with DCTA executive leadership and staff, set up a program for crisis communications response procedures integrated with organizational crisis response, recovery and business continuity plans, as well as broader community Emergency Management integration. This program could potentially include education, ongoing training, crisis response drills and regional meetings, all to prepare the organization for response to a potential emergency situation.

Marketing & Communications Performance Measure Results FY23 Progress Report

- Reorient the Public Involvement and Communications team to a Marketing and Communications team that enables business planning and outreach to generate ridership across the County while working with the Chief Operating Officer to ensure adequate and appropriate service delivery.
 - Marketing and Communications underwent a department reorientation to better meet the needs of the agency, restructuring to allow for future outreach and business development efforts.
- Produce and implement an annual marketing and communications plan including but not limited to a social media plan, business outreach plan and advertising plan.
 - Marketing and Communications developed a repeatable annual plan including social media, business and community outreach and a plan to set business development and advertising revenue program efforts in motion.
- Develop opportunities for additional revenue and ridership through asset advertising and increased corporate pass sales.
 - Marketing and Communications reassigned a departmental position, filled the role and is working on a process to create advertising revenue program and a ridership development plan.
- Work with Chief Operating Officer to develop marketing materials highlighting DCTA transit modes and services to inform potential riders on transit options available and increase ridership.
 - Marketing and Communications worked with the COO and other members of the team to develop new marketing materials highlighting DCTA's transit modes.
- Review, redesign and implement an enhanced community engagement program to facilitate public participation and gain insight into community needs.
 - Marketing and Communications began re-evaluating opportunities to enhance its community engagement program.
- Conduct Customer Segmentation and Customer Service Satisfaction surveys to benchmark metrics for continual improvement.
 - Marketing and Communications conducted customer satisfaction surveys to benchmark customer sentiment and define customer segments, and plans to continue these surveys in the future at an appropriate cadence.
- Oversee enhanced marketing and advertising initiative and development of annual marketing and communications program to refine and increase brand awareness.
 - Marketing and Communications executed on its plans to refine the DCTA brand and implement a more focused brand identity through its communications program.
- Evaluate rider and stakeholder communications and messages across DCTA platforms, including the website, HopOnBoard Blog, newsletters, social media and other agency assets.
 - Marketing and Communications conducted a thorough review of recent messaging in order to create a new annual plan, evaluating past communications for effectiveness, brand identity and for appropriate usage within channels and platforms.

Human Resources

The Human Resources Division is engaged in managing and directing 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 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$164,381	\$404,496	\$320,766
Outsourced Services & Charges	153,274	101,600	168,500
Materials & Supplies	922	1,000	2,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development	6,326	38,075	42,425
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$324,903	\$545,171	\$533,691
Staffing			
Director of Human Resources	-	-	1.00
Human Resources & Training Specialist	1.00	1.00	1.00
Senior Director of Engagement & Administration	-	1.00	-
Senior Manager of Human Resources	1.00	1.00	-
Total	2.00	3.00	2.00

Human Resources Looking Ahead FY24 Objectives & Performance Measures

- Audit HR functions, processes and policies. Identify risks and needs and make recommendations for updates.
- Evaluate DCTA Handbook and HR Policies. Develop plan for updates and recommended changes.
- Evaluate total rewards program and make any needed recommendations to compensation, classification, benefits, time off or other total rewards items.
- Evaluate and identify training needs and develop a plan to deliver training and growth paths for DCTA employees.
- Continue to progress the wellness program and support the wellness committee for employee engagement and overall wellness initiatives.
- Complete employee engagement interviews. Identify trends and needs and make recommendations for best practices or changes.
- Provide guidance and coaching to NTMC leaders for best practices and best in class HR processes.

Human Resources Performance Measure Results FY23 Progress Report

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

- Redesign annual performance review process to explicitly align every DCTA employee's annual goals with Agency's strategic goals and the servant leadership model.
 - This process was complete with a successful implementation. Annual reviews for staff were complete 09/30/23. Human Resources completed training for all staff on the process prior to self-evaluations and manager reviews were complete.
- 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.
 - An in-depth compensation study was completed internally. The Board approved the recommended changes to achieve this goal. Updated salary bands went into effect at the beginning of FY24.
- Develop leadership training program to equip current and emerging leaders for success
 - Leaders and staff participated in several input sessions to provide definition to servant leader culture. These efforts will be ongoing as we move into the new year.

Human Resources
Performance Measure Results
FY23 Progress Report

- Lead training, equipping and engagement to reinforce servant leader culture and wellness program across the organization
 - Wellness committee members have gathered and committed to a new year. They have rolled out new programs that will focus on core pillars of health this next year for all staff.
 - Leadership completed working sessions with employees to define and engage with the servant leader culture before also reviewing progress during annual performance reviews. We will continue to ensure this is top of mind for our teams.

Innovation & Information Technology

The Innovation & Information Technology Division provides innovative and efficient information technology solutions for the Agency. The department supports all aspects of the Agency’s technology needs and initiatives including technology innovation and infrastructure, and it also protects the Agency’s technology and data assets from cybersecurity threats.

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$260,266	\$392,445	\$260,001
Outsourced Services & Charges	320,370	435,433	36,460
Materials & Supplies	61,740	152,266	6,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development	11,669	17,405	19,905
Leases & Rentals			
Depreciation			
Total Dept Budget	\$654,045	\$997,549	\$322,366
Staffing			
Application Support Specialist	1.00	1.00	1.00
AVP of Innovation & Information Technology	1.00	0.50	1.00
Information Technology Manager	1.00	1.00	-
Information Technology Support Coordinator	1.00	1.00	1.00
IT Coordinator Security System	-	-	1.00
Senior Manager of IT	-	-	1.00
Total	4.00	3.50	5.00

Innovation & Information Technology

Looking Ahead

FY24 Objectives & Performance Measures

- Conclude FY23 Swiftly Connected Transit Platform project by demonstrating accuracy of automated passenger counting hardware through National Transit Database certification, and successfully transitioning away from manual passenger counts.
- Implement FY24 Expanded Level Projects
 - Server Infrastructure Refresh
 - Phase I of Electronic Security and Digital Passenger Signage Project
- Progress and support all technology aspects of Enterprise Resource Planning software implementation
- Successful implementation of the Spare Labs dispatching platform and identification of the next phases of innovative technology that improves the efficiency of agency operations.
- Identify, progress, and support solutions that improve the passenger experience such as insourced customer service function, electronic fare payment solutions that align with regional partners and university customers, and other public facing technologies such as bus shelter technologies, mobile applications, and websites.
- Provide technology infrastructure to support data reporting platforms at the agency.
- Ensure repeatable, quality processes for all functions of the agency through documentation of procedures and establishing and monitoring SLAs for the agency's technology infrastructure.

Innovation & Information Technology

Performance Measure Results

FY23 Progress Report

- Execute Fiscal Year 2023 Expanded Level Projects
 - Executed and completed the following expanded level projects: multi-facility firewall upgrades, conference room A/V refreshes, GoZone expanded service hours and improvements. Showed measurable progress with Swiftly Connected Transit Platform implementation.
- Deliver phased, executable plan with associated budget for Security Camera, Access Control and Station Signage Project
 - As part of a FY23 ELP, completed 3rd party electronic security assessment and developed a phased capital project program with associated budget.
- Identify and progress alternatives for the Enterprise Resource Planning Expanded Level Project (in conjunction with the CFO)
 - Due to staffing shortages in Finance and across the agency as well as hiring and training, this project has moved to FY24. Plans and processes are implemented to ensure this is a successful implementation that will take place over the next two years.

Innovation & Information Technology
Performance Measure Results
FY23 Progress Report

- Lead innovation efforts including, but not limited to data transformation efforts, cashless fare alternatives, regional integration, and develop a team to support these efforts
 - Identified tools to improve quality of fixed route data reporting, strengthened relationship between the agency and developer of the GoPass platform.
- Identify and progress alternatives for future state of on-demand service delivery
 - Identified and procured Spare Labs platform to improve efficiency and delivery of agency demand response services
- Deliver intermediate service plan to implement no later than January 1, 2024
 - This goal has been moved to the VP of Planning and Development.
- Work with the COO to transition mobility services functions
 - Successfully transitioned mobility services functions to the Chief Operating Officer organization after the hire of a Senior Manager of Mobility Services.

Procurement & Compliance

The Division of Compliance, Procurement, Safety & Grants 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 assets
- 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 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	-	\$758,880	\$260,001
Outsourced Services & Charges	-	60,460	36,460
Materials & Supplies	-	-	6,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development		18,512	19,905
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	-	\$837,852	\$322,366
Staffing			
AVP of Regulatory Compliance	-	1.00	-
Grants Manager	-	1.00	-
Manager of Contracts and Procurement	-	1.00	-
Procurement Specialist	-	1.00	-
Project Controls Specialist	-	0.60	-
Risk/Safety Manager	-	1.00	-
Senior Manager of Procurement	-	-	1.00
Senior Procurement Specialist	-	1.00	1.00
Total	-	6.60	2.00

This division was formed in FY 2023.

Procurement & Compliance

Looking Ahead

FY24 Objectives & Performance Measures

- Create a comprehensive annual training program for contracts, procurement, budget, grant and AP related topics for FY 2024
- Overhaul DCTA's P-Card program with the goal of increasing rebates, strengthening internal controls, and creating ease of use for staff cardholders. Switch program providers if possible.
- Update DCTA's Procurement Manual
- Update DCTA's P-Card policy
- Improve the administration of task orders to make the process more efficient by training staff, using a digital routing platform, and informed notifications through contract management software
- Launching Adobe Sign to create a paperless workflow for all documents being sent for approvals and signatures

Procurement & Compliance

Performance Measure Results

FY23 Progress Report

Engage with stakeholders to ensure alignment of the agency's priorities

- Launched a new eProcurement platform increasing efficiency and streamlining all procurement functions.
- Developed a new contract and insurance management function for agency-wide efficiency and time saving efforts.

Advance transit oriented development planning and work with local and regional stakeholders to focus on best value service strategy

- Began creating an enhanced focus and management of the agency's Disadvantaged Business Enterprise (DBE) program utilizing technology and increasing outreach
- Implemented a digital routing platform for all circulated documents increasing visibility and accountability with a focus on strengthening internal controls.

Build a quality transit system, a quality brand and a great employee culture

- Developed an annual training calendar as well as targeted training topics to enhance agency knowledge on procurement and contract related functions.
- Increased surplus turnover and revenue allowing for a focus on current assets and inventory.
- Provided thought leadership in the refinement and enhancement of Finance Team culture by providing ways to increase collaboration within our team or with other teams.

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), 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 NTMC to provide management of operations including services for fixed-route, demand-response, and ADA/paratransit, as well as fare collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center.

- 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

Mobility Services

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
DCTA Expenses			
Salary, Wages, Benefits	\$564,904	\$737,671	\$1,177,748
Outsourced Services & Charges	921,507	1,315,284	1,321,344
Materials & Supplies	1,566,738	1,802,546	1,819,228
Utilities	189,342	256,665	281,150
Insurance	307,497	344,384	255,979
Purchased Transportation	8,275,917	11,515,145	11,862,228
Employee Development	4,485	16,100	7,100
Leases & Rentals	8,715	7,347	7,057
Depreciation	1,398,478	1,275,250	1,173,312
Total DCTA Bus Services Budget	\$13,237,584	\$17,270,392	\$17,905,146
DCTA Staffing			
AVP of Innovation & Technology	-	0.50	
Bus Operations Coordinator	-	-	1.00
Bus Operations Manager	-	-	1.00
Chief Operating Officer	-	-	0.50
Director of Capital Development	0.20	0.20	-
Director of Transportation	-	-	1.00
Manger of Operations Support	-	-	1.00
Mobility Services Coordinator	1.00	1.00	-
Mobility Services Manager	1.00	1.00	-
Operations Analyst	1.00	1.00	1.00
Project Controls Specialist	0.20	-	
Senior Administrative Specialist	-	-	1.00
Senior Director of Bus Operations	-	-	1.00
Senior Director of Mobility Services	1.00	1.00	-
Senior Manager of Mobility Services	1.00	1.00	1.00
Supply Coordinator	1.00	1.00	-
Total	6.40	6.70	8.50

Mobility Services

	FY 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
NTMC Expenses			
Salary, Wages, Benefits	\$5,355,034	\$6,241,126	\$6,568,621
Outsourced Services & Charges	504,702	607,445	252,848
Materials & Supplies	940	1,936	17,800
Utilities	-	-	-
Insurance	52,044	95,592	78,850
Purchased Transportation	-	-	-
Employee Development	13,949	53,260	83,239
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total NTMC Bus Services Budget	\$5,926,669	\$6,999,359	\$7,001,358
NTMC Staffing			
Contracted Bus Services (NTMC)			
Bus Administration Department	3.00	3.00	3.00
Customer Service Department	9.00	8.00	7.00
Supervisors/Dispatchers Department	13.00	11.00	8.00
Maintenance Department	16.00	19.00	15.00
Bus Operators**	49.00	43.00	62.00
Total - NTMC Bus Services Staffing	90.00	84.00	95.00

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

Mobility Services

Looking Ahead

FY24 Objectives & Performance Measures

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

- Identify & develop long-term fleet needs across all modes.
- Develop customer focused KPIs to supplement contractual metrics.
- Propose operational alternatives to boost ridership and reduce costs.

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

- Ensure adherence to Safety, Service, and Ridership KPIs across all modes.

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

- Develop and integrate heavy maintenance and fleet replacement capital plans.
- Develop and maintain relationships with University of North Texas (UNT) and Texas Women’s University(TWU) to evaluate opportunities to increase service.
- Develop opportunities to enhance demand response and mobility service models.

Mobility Services
Performance Measure Results
FY23 Progress Report

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

- Develop long-range bus fleet maintenance plan and facility program and align / reflect within DCTA long-range financial plan:
 - This area is ongoing. The long-range plan extending to FY2030 is was presented to the board during the FY24 budget process and represents plans for funding fo future bus leet maintenance and bus fleet purchase.

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

- Ensure service delivery across all modes meets KPIs for safety, on-time performance, etc.
- **Safety Performance**
 - Achievement “met”: We recorded 0.84 accidents per 100,000 miles (compared to a desired KPI of 1.0), underscoring a need for enhanced safety protocols and training.
- **Vehicle Maintenance**
 - Achievement “met”: We successfully met our goal with 90.7% of preventive maintenance tasks completed on DCTA vehicles, reflecting our commitment to vehicle reliability and service quality.
- **Resource Utilization**
 - Results achieved: 94.69% utilization of hours, indicating effective management of our resources in FY23.
- **On-Time Performance (OTP)**
 - Achievement “met”: There was a noticeable improvement in OTP from the previous year, rising from 84.6% to 88.3%. While this marks progress, it falls short of our set objective.
- **GoZone Service**
 - Achievement “met”: The GoZone service met its objective, with an average wait time of 19.8 minutes beating its target of 24 minutes.
- **Access Service OTP**
 - Achievement “met”: The Access service exceeded expectations with a commendable 94.7% on-time performance on a goal of 90%, showcasing effective operational management in this segment.
- **Ridership Growth**
 - GoZone ridership saw a significant increase of 38.4%.
 - Overall bus ridership also grew impressively by 37.4%.
 - Access ridership experienced a moderate increase of 4.6%

**Mobility Services
Performance Measure Results
FY23 Progress Report**

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

- Evaluate opportunities and make recommendations to ensure continuity of on-demand services following expiration of current Via and MAAS contract.
- Key highlights include participation and presentations at both regional and national conferences, facilitating educational sessions for regional transit agencies on micro-transit solutions, and maintaining active engagement with the Mobility as a Service (MAAS) industry. These efforts underscore our commitment to staying at the forefront of transit innovation.
- Evaluate opportunities and make recommendations to reduce the cost of Connect and bus-related services, including alternatives to the current NTMC organization.
- Our team played a key role in the right-size reorganization initiative, effectively aligning the NTMC's organizational structure with our strategic objectives. This included the strategic decision to eliminate the HTG contract and the successful executive recruitment of a new General Manager, appointed by the NTMC Board of Directors. These actions demonstrate our dedication to maintaining a leading position in preparation for future growth opportunities.

Rail Services

The Rail Services Division 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 2022 Actuals	FY 2023 Working Budget	FY 2024 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$492,665	\$672,188	\$378,825
Outsourced Services & Charges	\$645,768	\$1,021,659	\$1,157,659
Materials & Supplies	\$877,014	\$1,422,442	\$1,980,250
Utilities	\$220,572	\$399,244	\$447,409
Insurance	\$1,286,292	\$1,366,023	\$1,370,916
Purchased Transportation	\$10,871,038	\$11,512,231	\$11,799,631
Employee Development	\$3,808	\$15,015	\$14,215
Leases & Rentals	\$1,613	\$2,400	\$2,400
Depreciation	\$9,886,579	\$9,936,658	\$9,859,191
Total Dept. Budget	\$24,285,349	\$26,347,860	\$27,010,496
NTMC Staffing			
Rail Operations Department	-	-	-
Chief Operating Officer	-	-	0.50
Deputy CEO	0.40	0.50	-
Director of Capital Development	0.80	0.80	-
Project Controls Coordinator	0.80	0.40	-
Rail Ops Coordinator	-	-	1.00
Senior Director of Rail Operations	1.00	1.00	-
Senior Manager of Rail Operations	1.00	1.00	1.00
Total	4.00	3.70	2.50

Rail Services
Looking Ahead
FY24 Objectives & Performance Measures

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

- Identify & develop long-term fleet needs.
- Develop customer focused KPIs to supplement contractual metrics.
- Propose operational alternatives to boost ridership and reduce costs.

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

- Ensure adherence to safety, service, and ridership KPIs.

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

- Develop and integrate heavy maintenance and fleet replacement capital plans.
- Increase DCTA value regionally with the extension of the A-train to downtown Carrollton.

Rail Services
Performance Measure Results
FY23 Progress Report

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

- Execute annual rail capital maintenance program with programmatic approach to obligate 100% funding by end of Q1 of FY2023
 - Status: 98% achieved by end of Q1 FY2023; on track for 100% by end of Q2 FY2023
- Develop long-range rail capital maintenance program and facility program and align / reflect within DCTA long-range financial plan.
 - Ongoing -- The long-range plan extending to FY 2030 is currently in progress and has been presented in the budget planning stage

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

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

- On-Time Performance Target: 98% or better.
Achievement: 99.63% met.
- Dispatch Operations Reliability Target: 99.9% or better.
Achievement: 100% met.
- Maintenance of Way Reliability Target: 99.8% or better.
Achievement: 100% met.
- Vehicle Availability for Service Target: 100%.
Achievement: 100% met.
- Completion of Scheduled Maintenance Target: 90% or better.
Achievement: 100% met.
- Signals/Communications Availability During Service Hours Target: 99.99%.
Achievement: 100% met.

Rail Services

Performance Measure Results

FY23 Progress Report

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 expenses and reflect in long-range financial plan.
- Ongoing: Assessing the practicality and implementation potential, evaluating the positive impacts and advantages, and considering the costs, infrastructure requirements, and effects on current transit operations. The methodology involves a data-driven approach to ensure that recommendations are factually supported and aligned with broader transportation planning goals to Downtown Carrollton DART Silver Line connection expanded to include potential Corinth station.
- Evaluate opportunities and make recommendations to regionalize the A-train operating contract.
- Ongoing: The A-Train Joint Rail Operations Facility design-build plans have signified a major advancement in improving rail infrastructure and strategic regional partnership in rail services.

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Capital Improvement Plan



Operating &
Capital Budget

2024

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 DCTA's ongoing equipment 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, goals and objectives, 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

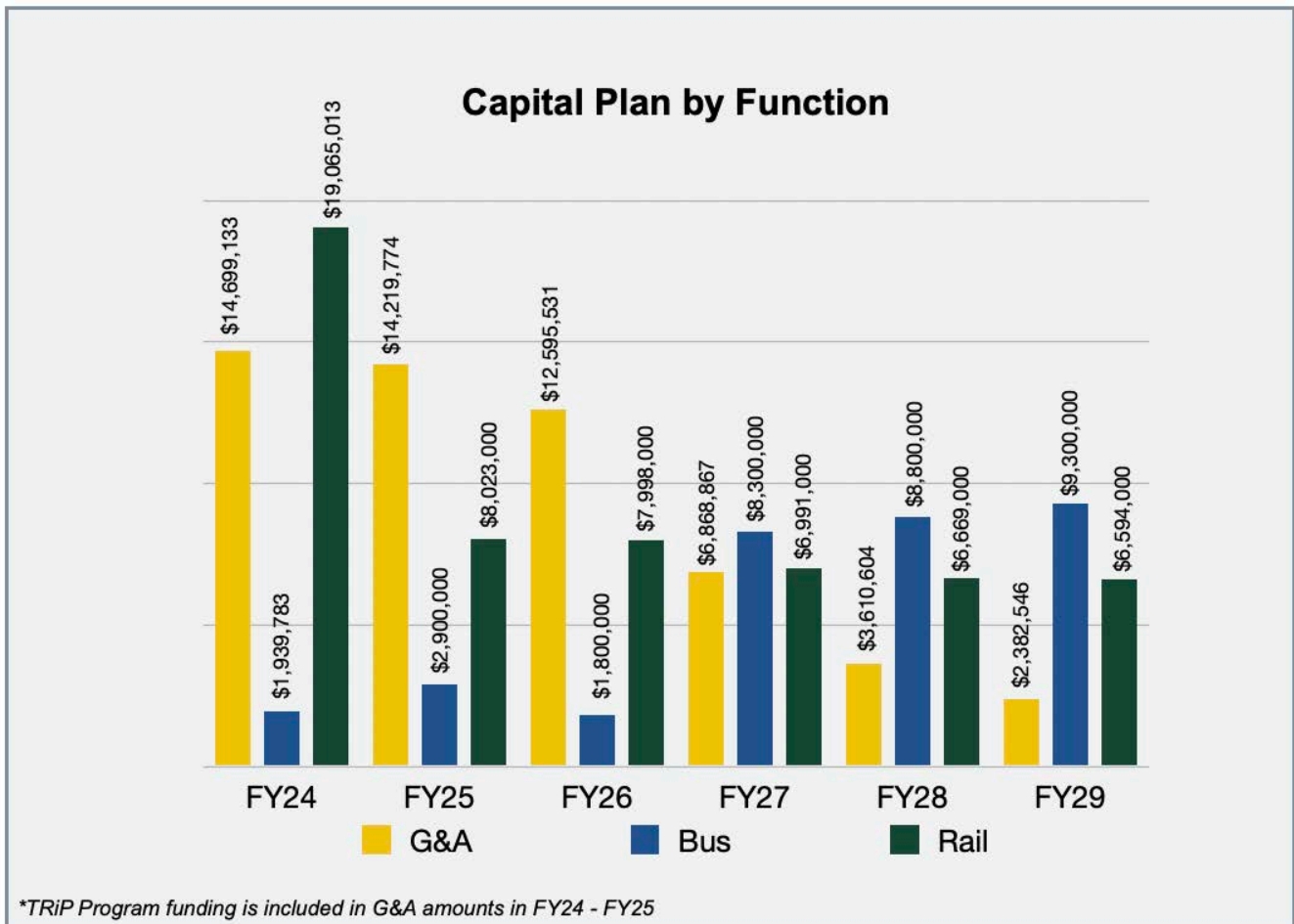
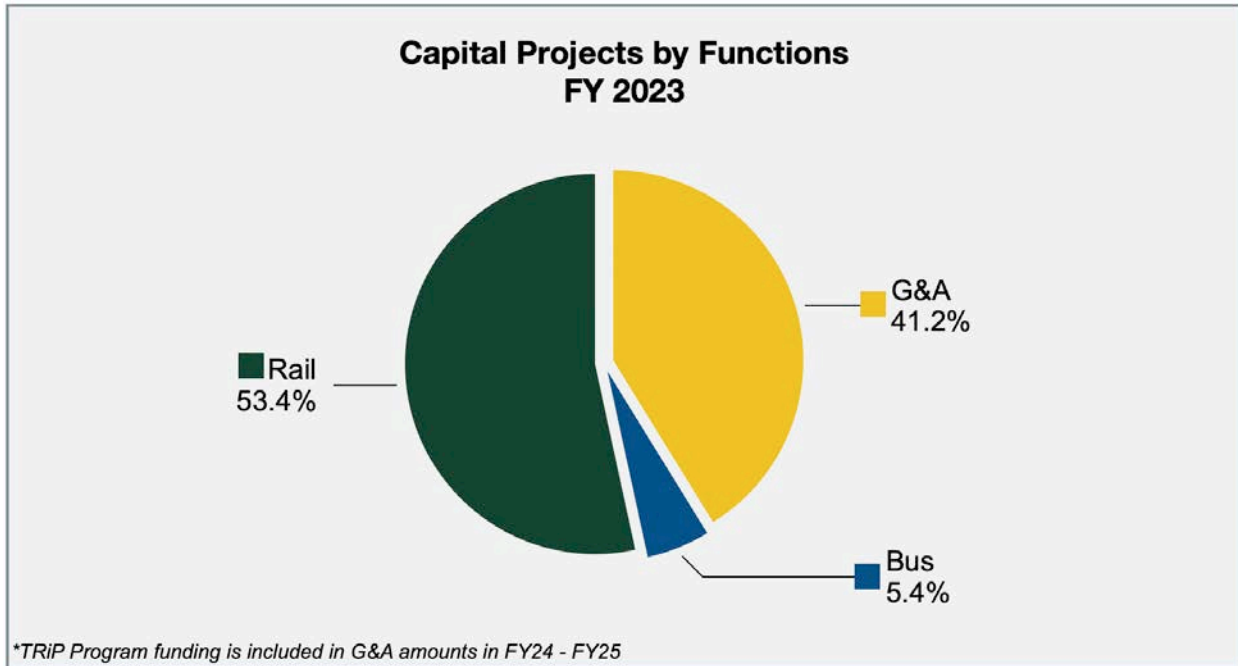
The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of five years or longer. A capital project may also be established for large-scale operating expenses expected to span multiple years, and these are expensed upon completion. 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 FY24 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 FY24 is \$35.7 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

Project Name	Proj. #	Projects thru FY 2022	Projects in FY 2023	Adopted FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Anticipated Project Total (Thru 2029)
Bus Services										
Bus OMF Network Video Recorder	50412	26,000	-	-	-	-	-	-	-	26,000
Major Maintenance - Bus (FY22)	50307	-	179,530	-	-	-	-	-	-	179,530
BOM Fuel Tank - NEW in FY24	50309	-	-	75,580	-	-	-	-	-	75,580
Fleet Purchase - Bus	TBD	-	-	-	1,100,000	-	6,500,000	7,000,000	7,500,000	22,100,000
Major Maintenance - Bus	50310	-	-	264,203	-	-	-	-	-	264,203
TAM: Fleet Replacement - UNT	TBD	-	-	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
TAM: Fleet Replacement - Connect	TBD	-	-	1,200,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	8,200,000
Rail Services										
DDTC Rail Fiber Extension	50413	125,000	-	-	-	-	-	-	-	125,000
Brownfield Remediation	61605	420,000	35,000	-	-	-	-	-	-	455,000
Positive Train Control Implementation	61406.1	16,420,141	300,000	-	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	61406.2	148,180	1,455,546	3,396,274	-	-	-	-	-	5,000,000
Major Maintenance - Rail Canopy Repairs (FY21)	61723.1	486,127	-	-	-	-	-	-	-	486,127
Major Maintenance - Rail (FY22)	61724	1,836,442	-	-	-	-	-	-	-	1,836,442
Major Maintenance - Rail (FY23)	61725	-	2,000,000	-	-	-	-	-	-	2,000,000
Major Maintenance - Rail (FY24)- NEW in FY24	61726	-	-	2,368,780	6,223,000	6,198,000	5,191,000	4,869,000	4,794,000	29,643,780
Joint Rail Operations & Maintenance Facility (JROF)	61302	549,953	-	11,499,959	-	-	-	-	-	12,049,912
TAM: Major Maintenance - Rail	-	-	-	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	10,800,000
G&A Services										
Backup & DR Infrastructure Upgrades	10404	45,000	-	-	-	-	-	-	-	45,000
Fleet (Non-Revenue)	10501	-	45,000	-	-	-	-	-	-	45,000
Swiftly Transit Platform (CAD/AVL)	10405	-	895,803	-	-	-	-	-	-	895,803
Multi-Facility Firewall Upgrade	10406	-	60,000	-	-	-	-	60,000	-	120,000
AV Upgrade - DCTA Conference Room	10407	-	65,000	-	-	-	-	65,000	-	130,000
Infrastructure Acquisition	10302	2,617,009	-	634,981	4,500,000	3,852,250	-	-	-	11,604,240
ERP Implementation	10408	-	-	1,600,000	500,000	-	-	-	-	2,100,000
Server Infrastructure Refresh- NEW in FY24	10409	-	-	450,000	-	-	-	-	500,000	950,000
Network Cloaking Hardware Deployment- NEW in FY24	10410	-	-	40,000	-	-	-	-	-	40,000
Electronic Safety & Security Program - NEW in FY24	10411	-	-	1,545,000	1,440,000	1,186,000	1,595,000	-	-	5,766,000
FUTURE: Stadler Laptop Replacement	-	-	-	-	80,000	-	-	-	100,000	180,000
FUTURE: Backup & DR Infrastructure Upgrades	-	-	-	-	-	-	45,000	-	-	45,000
Transportation Reinvestment Program (TRIP)										
TRIP Program Funding - FY21	10702	7,742,135	-	-	-	-	-	-	-	7,742,135
TRIP Program Funding - FY22	10703	-	9,833,005	-	-	-	-	-	-	9,833,005
TRIP Program Funding - FY23	10704	-	11,393,216	-	-	-	-	-	-	11,393,216
TRIP Program Funding - FY24	10705	-	-	10,429,152	-	-	-	-	-	10,429,152
FUTURE: TRIP Program Funding	-	-	-	-	7,699,774	7,557,281	5,228,867	3,485,604	1,782,546	25,754,072
TOTAL CAPITAL BUDGET		\$30,415,987	\$26,262,100	\$35,703,929	\$25,142,774	\$22,393,531	\$22,159,867	\$19,079,604	\$18,276,546	\$199,434,339

Capital Improvement & Major Maintenance Plan | Summary

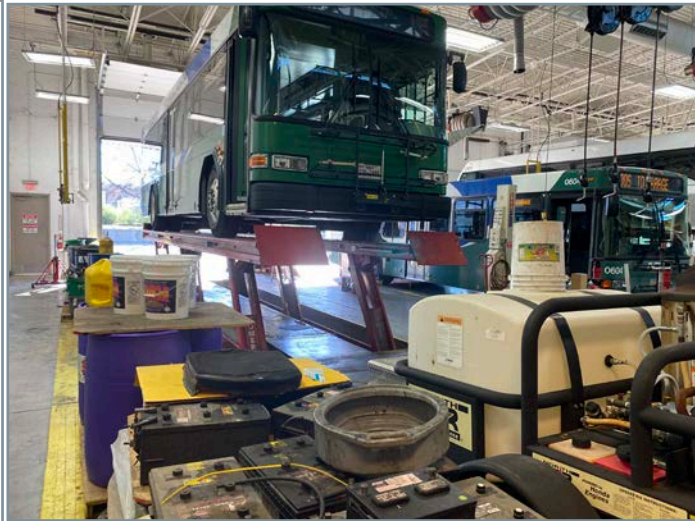


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Operations Major Maintenance
Project Number: 50310

Statement of Need / Description

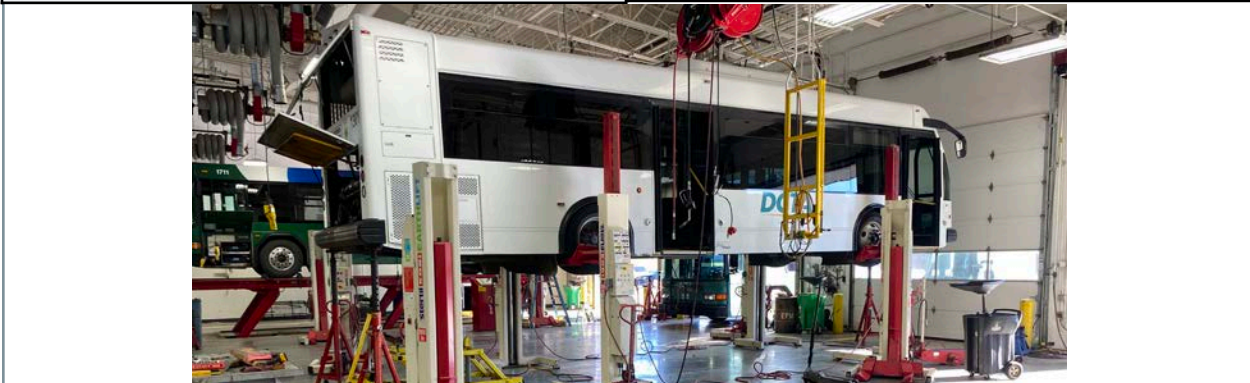
The Major Maintenance - Bus project is an annual allocation for the maintenance of the Bus Operations fleet of vehicles, work which is performed at the Bus Operations & Maintenance facility in Denton.



DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for DCTA-owned assets in this category. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2024.

Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$264,203	-	-	State Grants	-
2024-25	-	-	-	Federal Grants	-
2025-26	-	See project notes	-	Operating Funds	-
Total	\$264,203	-	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change X	Coordinating Department: Bus Operations Accounting will review expenses quarterly for the Major Maintenance projects, and if deemed Operating Expenses, the related transactions will be expensed at that point.
Increase in Amount	
Decrease in Amount	
New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Rail Operations Major Maintenance
Project Number: 61726

Statement of Need / Description

The Major Maintenance-Rail project is an annual allocation for the maintenance of the rail facility and vehicles. 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 FY2024.



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$2,368,780	-	-	State Grants	-
2024-25	-	-	-	Federal Grants	-
2025-26	-	-	-	Operating Funds	-
Total	\$2,368,780	-	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Rail Operations
Increase in Amount	Stadler Fleet repairs \$1,360,711
Decrease in Amount	Signal repairs: \$614,412
New Project	Track repairs: \$217,055
	Rail Facility repairs: \$176,602
	X



Grout injection



Signal electronics



Engine overhaul



Drainage repair

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Network Cloaking
Project Number: 10410

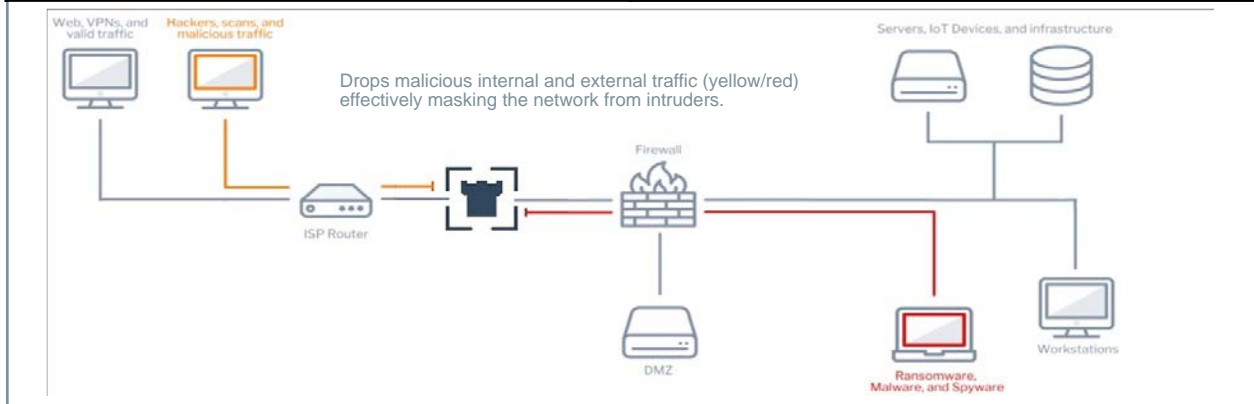
Statement of Need / Description

This project is being requested to implement Nomic Networks' (formerly Sentinel IPS) cybersecurity solution, which includes Autonomous Threat Defense, Automated Network Detection & Response (MNDR), Network Cloaking, and CINS Active Threat Intelligence Gateway. The objective is to enhance the agency's network security, protect against threats and vulnerabilities, and adopt a proactive approach to detecting and responding to potential cyberattacks, leveraging real-time telemetry from all Nomic customers (specifically other agencies in the area). This solution sits in front of the firewall providing another layer to document and drop malicious traffic using information sharing hourly from various municipalities and government organizations locally and nationwide.



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$40,000	-	-	State Grants	-
2024-25	-	-	-	Federal Grants	-
2025-26	-	-	-	Operating Funds	-
Total	\$40,000	-	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Information Technology
Increase in Amount	
Decrease in Amount	
New Project X	

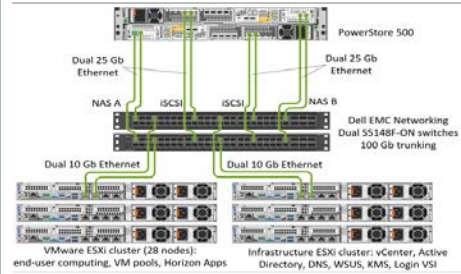


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Server Infrastructure
Project Number: 10409

Statement of Need / Description

This project allocated in 2017 in the long-range capital plan at \$350,000 to occur in FY2024 for \$450,000. This project has been proposed to revamp and modernize DCTA's IT infrastructure, ensuring high availability and strong disaster recovery capabilities across both primary and secondary local geo-redundant data centers. The existing infrastructure is slated to become out of warranty and end-of-life with the manufacturer. The current infrastructure lacks the required sophistication the agency requires, lacks high availability, demands extensive manual maintenance, and requires manual orchestration for failover scenarios, rendering it insufficient to meet the agency's growing needs and expectations. With technological advancements over the past five years, it is now crucial for DCTA to invest in a comprehensive IT infrastructure to streamline operations, safeguard data, adhere to industry and government standards and regulations, and provide the level of service expected to keep critical systems operational.



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$450,000	-	-	State Grants	-
2024-25	-	-	-	Federal Grants	-
2025-26	-	-	-	Operating Funds	-
Total	\$450,000	-	-	Total Funding	-

Change from Previous CIP	Project Notes	
No Change	Coordinating Department: Information Technology	
Increase in Amount		X
Decrease in Amount		
New Project		



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Electronic Security & Digital Passenger Signage
Project Number: 10411

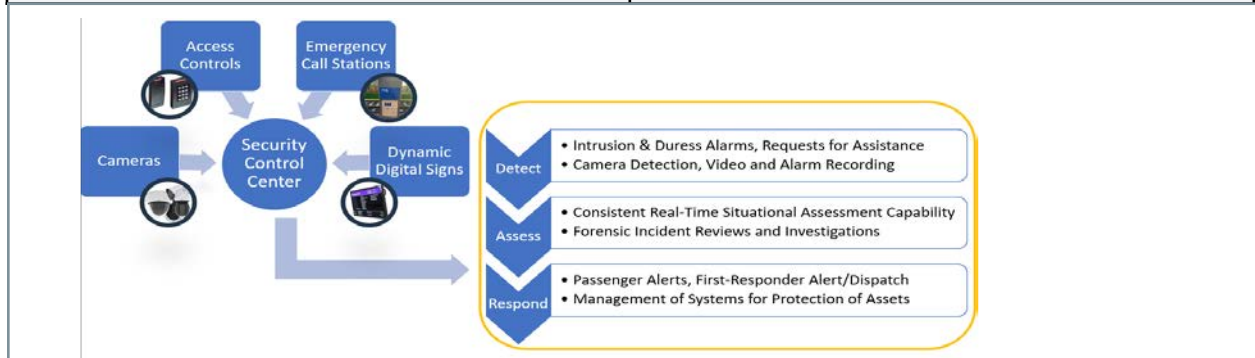
Statement of Need / Description

DCTA completed an Electronic Security Assessment in FY2023 that revealed opportunities for improvement in the agency's safety and security posture as it relates to security cameras (CCTV), access control, and digital passenger signage. This project will be a complete program that entails a full replacement of aging and obsolete electronic security hardware, along with the addition of electronic security and passenger signage where it does not exist. The estimated timeline for this project is 48 months, with a completion date slated as September 30, 2027 (4 years) to support timelines for grant funding identification and the RFP process.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$1,545,000	\$111,745	-		
2024-25	\$1,440,000	\$380,573	-	State Grants	-
2025-26	\$1,186,000	\$544,640	-	Federal Grants	-
2026-27	\$1,595,000	\$700,262	-	Operating Funds	-
Total	\$5,766,000	\$1,737,220	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Information Technology
Increase in Amount	
Decrease in Amount	
New Project X	



Capital Improvement & Major Maintenance Plan | Project Detail

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	Projected Revenue	Source(s) of	Capital Funding
Thru FY22	\$2,617,009	-	-	State Grants	
2022-23	-	-	-	Federal Grants	\$2,948,806
2023-24	\$634,981	See project notes	-	Operating Funds	\$303,184
Total	\$3,251,990	-	-	Total Funding	\$3,251,990

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



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Operations Fuel Tank
Project Number: 50309

Statement of Need / Description

Fuel tanks have not been repainted since installation 10+ years ago and are in need of sandblasting and repainting. Additionally, the initial construction did not include staircases with platforms to safely inspect and service the top of the tanks. This project is being requested to adequately maintain of the exterior of the fuel tanks and to add tank access platforms.



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$75,580	-	-	State Grants	-
2024-25	-	-	-	Federal Grants	-
2025-26	-	-	-	Operating Funds	-
Total	\$75,580	-	\$ -	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Bus Operations
Increase in Amount	
Decrease in Amount	
New Project X	



Capital Improvement & Major Maintenance Plan | Project Detail

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	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$1,600,000	-	-	State Grants	-
2024-25	\$500,000	-	-	Federal Grants	-
2025-26	-	-	-	Operating Funds	-
Total	\$2,100,000	-	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Information Technology
Increase in Amount	
Decrease in Amount	
New Project X	
Annual operating costs related to the ERP project are estimated at \$250k and are reflected in FY24 forward in the Long-Range Financial Plan.	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Transportation Reinvestment Program (TRiP)
Project Number: 10705 (FY24)

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 Revenue	Source(s) of	Capital Funding
2020-21	-	\$7,742,135	-		-
2021-22	-	\$9,833,005	-	State Grants	-
2022-23	-	\$11,393,216	-	Federal Grants	-
2023-24	\$10,429,152		-	Operating Funds	-
Total	\$10,429,152	\$28,968,356	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change X	Coordinating Department: Finance
Increase in Amount	There will be no ongoing 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.
Decrease in Amount	
New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Fleet Replacement for UNT and Connect
Project Number: TBD

Statement of Need / Description

Each year, the Bus Operations staff reviews the current levels of service, identifies fleet requirements, reviews existing fleet, and updates the Fleet Replacement Plan.

This is a reserve fund to set aside funding each year so it is not such a big hit when bus purchases need to take place. This is fleet replacement needs for UNT or Connect Service. This is also reflected in the Long Range Financial Plan (LRFP).



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
2023-24	\$1,600,000	-	-	State Grants	-
2024-25	\$1,600,000	-	-	Federal Grants	-
2025-26	\$1,600,000	-	-	Operating Funds	-
2026-27	\$1,600,000	-	-		-
2027-28	\$1,600,000	-	-		-
2028-29	\$1,600,000	-	-		-
Total	\$9,600,000	-	-	Total Funding	-

Change from Previous CIP	Project Notes
No Change	Coordinating Department: Finance The agency reviews each capital project for associated operating impacts during the budget process. The associated operating costs related to these revenue and non-revenue replacement vehicles will be minimal and include fuel and standard maintenance. These expenses are included in the long range financial plan in future periods under service and materials category.
Increase in Amount	
Decrease in Amount	
New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Positive Train Control (Phase 2)
Project Number: 61046.2

Statement of Need / Description

Positive Train Control (PTC) makes the rail system safer but inherently induces delays. The current schedule takes 42-44 minutes with E-ATC in effect. The goal is to get back some of the time we lost with the implementation. The PTC Enhancement project would involve raising the existing track speeds and subsequently programming the signal system to accommodate the increased track speeds. DCTA received a Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant from the Federal Railroad Administration to help offset the additional costs. The total grant is \$4,000,000 and requires a 20% local match. Funding of \$1.45M in FY23 was unspent and will roll over to FY24.



Year	Capital Cost	Operating Costs	Projected Revenue	Source(s) of	Capital Funding
Thru FY22	\$148,180	-	-	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	Project Notes
No Change	Coordinating Department: Finance The agency reviews each capital project for associated operating impacts during the budget process. The associated operating costs related to these revenue and non-revenue replacement vehicles will be minimal and include fuel and standard maintenance. These expenses are included in the long range financial plan in future periods under service and materials category.
Increase in Amount	
Decrease in Amount	
New Project	



Appendix



Operating &
Capital Budget

2024

**Denton County Transportation Authority
Financial Management Policies
(Adopted September 2022)**

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 - FY24 Bus Fleet replacement: \$1.6 million \times 20% = \$320,000. Minimum Capital Replacement Fund requirement: \$320,000 + \$500,000 = \$820,000).

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 longterm 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.

i. 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.

ii. 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.

iii. 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 ongoing revenues. Before undertaking any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenses may be funded from one-time revenues, but the operating budget expense impacts of capital expenses will be reviewed for compliance with this policy provision:

- a. Vice Presidents are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expense categories to help assure the most efficient use of resources.
- b. DCTA will maintain expense categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA. A compensation study shall be conducted every three (3) years to ensure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

Accounting, Auditing and Financial Reporting

DCTA will maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall DCTA goals and objectives are met:

- a. Accounting Records and Reporting: DCTA will maintain its accounting records in accordance with state and federal regulations. Financial statements will conform to generally accepted accounting principles (GAAP) of the Governmental Accounting Standards Board (GASB).
- b. Auditing: As required under Chapter 460.402 of the Texas Transportation Code, an outside independent CPA firm will annually perform the DCTA's financial audit. Results of the annual audit will be provided to the Board in a timely manner. The external audit firm is accountable to the Board of Directors and will have access and direct communication with the Board. The Single Audit Report will be prepared and presented to the Board by the external auditors along with the audited financial statements. The Single Audit Report shall list the status and current operations of all federal, state, and local grant funds awarded and received.
- c. Simplified Fund Structure. To the extent possible, DCTA will minimize the number of Funds.

The Finance Department will develop, maintain, and consistently seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets.

Budget and Operating Policies

a. Decisions of the Agency will be within the context of the long range financial plan and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the long range financial plan.

b. The budget is designed to communicate DCTA's financial goals and objectives to its stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. DCTA is committed to a balanced budget, where current year expenses do not exceed current year revenues and applicable/specific reserve balances.

c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and the Board. A calendar of events related to budget development shall be presented to the Board each year prior to the start of the annual budget process.

d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the Board with monthly and/or quarterly information in a timely manner on fund level resource collections and category level expenses.

e. Budget Revisions: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:

i. Operating Fund Expenses:

1. DCTA is required to control operating costs and maintain the total expenses incurred at or below the total annual adopted Operating Expenses budget or budget as amended.

2. The Chief Executive Officer (CEO) may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.

3. The Board may authorize a Budget Amendment for approval of new contracts and unbudgeted expenses when available savings cannot be identified within the operating or capital budget.

ii. Capital Project Fund Expenses:

1. Expenses for capital projects must be approved within the fiscal year capital project budget; or

2. By Board approval of any increase to an existing capital project budget that is not offset by savings within the operating or capital budget; or

3. The addition of a new capital project during the fiscal year approved by Budget Amendment.

iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.

f. Definitions:

i. Budget Amendment – Shall mean a net change in the total adopted fiscal year budget (operating + capital) based on the following criterion:

1. A net change in the budgeted expenses (operating + capital), to include:
(a) addition of a new capital project; (b) increase in Capital Projects Fund annual appropriation that is not offset by identified savings within the operating or capital budget; (c) addition of operating expenses that are not offset by identified savings within the operating or capital budget.

2. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e.

ii. Budget Transfers – Shall mean transfer of funds between the following:

1. Departments, expense line items, or capital projects that neither increase nor decrease the total adopted budget (operating + capital).

2. If budgeted expenses associated with a capital project are deemed operating, the capital project budget will be decreased and transferred to the appropriate operating budget.

g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to effectively recover and/or adjust to serious downturns.

h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

Purchase and Disposal of Assets

DCTA will follow and maintain purchasing procedures that comply with applicable State and Federal laws and Board resolutions and policies regarding procurement. The policy of the Board of Directors is to:

- a. Provide equal access to all vendors participating through competitive acquisition of goods and services.
- b. Conduct the procurement process and disposal of property in a manner that promotes and fosters public confidence in the integrity of DCTA's procurement procedures.
- c. Protect the interest of entities providing financial support without regard to any undue influence or political pressure.

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

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

Emergency Procurement: The CEO or his/her designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The officers of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

Cost Allocation

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

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received. Should DCTA choose to include indirect costs in its grant reimbursement requests, DCTA will prepare and seek funding agency approval of a cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87. The plan will be prepared consistent with guidelines established by:

The Federal Office of Management and Budget (OMB) Circular A-87

OMB Circular A-87 establishes cost principles for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, “The principles are for determining allowable costs only.” In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, “A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.” The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

Governmental Accounting Standards Board (GASB)

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

Debt Management Policy

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

- a. To minimize the use of debt to the effect that debt service payments will be a predictable and manageable part of the operating budget.
- b. Utilize debt as the last resort, to raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating if appropriate to reduce the cost of borrowing.
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurers, etc.) through negotiation, RFQ process or as defined for professional services under DCTA’s procurement procedures.
- d. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is a refunding, or the market is unstable:

i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.

ii. Short-term borrowing will not be used for operating purposes.

e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been approved by the Board of Directors, within six months after the fiscal year end.

f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.

g. Limiting bonded indebtedness to a level that:

i. Permits sufficient borrowing to support a reasonable level of capital programming;

ii. Maintains a debt amortization schedule within DCTA's ability to pay; and

iii. Supports DCTA's credit rating objectives.

h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.

i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.

j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

Investment Policy

I. Policy Statement

The Denton County Transportation Authority (DCTA) policy stipulates that the administration of its funds and the investment of those funds shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of DCTA. DCTA's investments will conform to all applicable state statutes governing the investment of public funds.

Effective cash management is essential to good fiscal management. Cash management is defined as the process of managing monies to ensure maximum cash availability. DCTA shall maintain a comprehensive cash management program which includes: collection of accounts receivable; prudent investment of its available cash; disbursement of payments in accordance with invoice terms; compliance with Board policy; and the management of bank depository services.

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to comply with local law and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code, (the "Act"). Investment earnings will be used in a manner that best serves the interests of DCTA.

II. Scope

This investment policy applies to all the financial assets and funds of DCTA. However, this policy does not apply to the assets administered for the benefit of DCTA by outside agencies under deferred compensation programs.

DCTA may commingle its funds into one pooled investment fund for investment purposes for efficiency and maximum investment opportunity.

III. Objectives and Strategy

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which reflects diversity by market sector, type of credit, and length of maturity as best meets DCTA's requirements. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

Safety of Principal

Safety of principal is the foremost objective. Investments of DCTA's cash shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by: limiting maximum maturities to two years or no further than expected project cash flow forecasts; limiting investment types to those specifically authorized by this policy; diversifying investments; and monitoring credit ratings on selected investment types.

Liquidity

Investments will be based on a cash flow analysis of needs and will remain sufficiently liquid to satisfy all operating requirements which might be reasonably anticipated by the agency's long range financial plan. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, the portfolio will include investments that offer same-day liquidity for those unanticipated situations. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

Diversification

The portfolio will be diversified by maturity and market sector and will include the use of a number of broker/dealers for diversification and market coverage. Competitive bidding as defined in Section VIII of this policy will be used on each sale and purchase.

Yield

DCTA's investment portfolio shall be designed with the objective of attaining a market yield to maturity taking into account DCTA's risk constraints and the cash flow needs. Market yield to maturity may be defined as the rolling average yield of the current six-month Constant Maturity Treasury (CMT).

DCTA has selected the weighted average yield to maturity as its preferred measure of investment performance. The weighted average yield to maturity shall be calculated on a monthly basis by multiplying each individual security's yield to maturity at time of purchase by its book value, totaling the product of these calculations, and dividing by the total book value of the portfolio.

IV. Legal Limitations, Responsibilities and Authority

Specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”). The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public fund deposits. All investments will be made in accordance with these statutes.

V. Delegation of Investment Authority

The Chief Financial Officer, acting on behalf of DCTA, is designated as the Investment Officer and the CEO of DCTA is designated as the Alternate Investment Officer. The Investment Officer is responsible for investment management decisions and activities according to this Investment Policy. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the activities of the investment program which are consistent with this Investment Policy. The procedures will include: reference to safekeeping; require and include Master Repurchase Agreements (as applicable); wire transfer agreements; banking services contracts; and other investment related activities.

The Investment Officer shall be responsible for all transactions undertaken and shall regulate the activities of subordinate officials and staff. The Investment Officer shall designate in writing a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established herein.

Authorization Resolution

A Resolution is established with this investment policy and attached hereto authorizing the Investment Officer to engage in investment transactions on behalf of DCTA. The persons authorized by the Resolution to transact business for DCTA are also authorized to approve wire transfers used in the process of investing.

VI. Prudence

The standard of prudence to be used in the investment function shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. This standard states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Rule in Section VI, shall be relieved of personal liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner to the Board of Directors and that appropriate actions are taken to control adverse market effects.

VII. Internal Controls

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA. Results of review of internal controls by the independent auditor shall be included in the annual audit.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of DCTA. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. Authorized Investments

Acceptable investments under this policy shall be limited to the instruments listed below and as further described by the Public Funds Investment Act:

- a. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expense dates;
- b. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principal and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA Board or a selected depository institution with its main office or branch office in Texas. See Attachment II for a list of Board approved broker/dealers. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA;
- c. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 90 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the stated limitation, but shall not exceed the expense plan of the projects;
- d. No-load SEC-registered money market funds, each approved specifically before use by DCTA;
- e. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and
- f. Interest bearing bank savings deposits issued by state and national banks or savings bank or a state or federal credit union (having their main or branch office in Texas) that are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund (or their successor organizations).

If additional types of securities are approved for investment by public funds by state statutes, none will be eligible for investment by DCTA until this policy has been amended and approved by the DCTA Board.

Competitive Bidding Requirements

All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that DCTA is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by DCTA, shall be conducted on a delivery versus payment (DVP) basis.

IX. Authorized Financial Dealers and Institutions

All investments will be made through either DCTA's banking services bank or an approved broker/dealer. DCTA will review the list of authorized broker/dealers annually. A list of at least three broker/dealers will be maintained in order to assure competitive bidding.

Securities broker/dealers must meet and disclose certain criteria as determined by the Investment Officer including:

- a. An audited financial statement each year;
- b. Proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of CRD number;
- c. Proof of current registration with the State Securities Commission; and
- d. Completion of DCTA questionnaire.

Every broker/dealer, investment pool, investment manager and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure they are familiar with the goals and objectives of DCTA's investment program. A representative of the transacting organization will be required to return a signed certification stating that the policy has been received and reviewed and that controls are in place to assure that only authorized securities are sold to DCTA.

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and shall not have discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. Diversification and Maturity Limitations

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

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:

- a. Describe in detail the investment position of DCTA on the date of the report;
- b. Be signed by the Investment Officer(s);
- c. Contain a summary statement that presents:
 - i. Beginning book and market value for the reporting period;
 - ii. Ending book and market value for the reporting period; and
 - iii. 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.

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. Hilltop Securities Asset Management

Board Approved Broker / Dealers List



**Approved Broker/Dealers
April 2021**

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

¹ **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 2024

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 (\$800,000)

- 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 (\$1,200,000)

- 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 (\$1,600,000)

- 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 Grand 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

	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual
PASSENGERS							
A-train	504,952	419,335	393,700	221,316	113,440	175,637	225,235
Access	29,605	30,268	29,714	20,367	16,194	21,184	22,191
Connect	488,319	472,667	569,467	343,588	220,440	130,476	141,872
On Demand Zones			8,935	9,032	4,149	-	-
RSVP/ Highland Village	4,568	4,503	3,551	922	119	-	-
GoZone	-	-	-	-	13,405	615,975	855,280
North Texas Xpress	6,449	8,440	12,804	8,007	4,146	1,920	1,728
UNT	1,925,549	1,907,035	1,834,402	950,702	461,985	1,019,390	1,443,452
NCTC	18,147	13,588	12,797	5,784	-	-	-
Frisco	5,603	8,884	12,799	5,675	3,002	6,374	8,482
Collin County Transit		4,781	11,559	10,850	10,808	3,153	-
TOTAL PASSENGERS	2,983,192	2,869,501	2,889,728	1,576,243	847,688	1,974,109	2,698,240
REVENUE VEHICLE MILES							
A-train	338,750	329,551	335,610	289,812	248,928	382,342	383,951
Access	204,750	206,926	185,147	121,244	100,070	148,760	156,957
Connect	772,224	873,956	966,537	774,638	721,116	350,399	226,661
On Demand Zones			25,065	25,581	12,729	-	-
RSVP/ Highland Village	106,289	91,649	60,811	28,652	48	-	-
GoZone	-	-	-	-	-	2,219,619	3,622,147
North Texas Xpress	100,216	100,250	103,798	104,638	96,560	26,226	25,893
UNT	577,498	461,992	444,670	366,438	311,129	401,675	423,233
NCTC	91,015	94,977	83,616	34,492	-	-	-
Frisco	39,188	70,979	92,005	59,532	25,311	46,452	63,569
Collin County Transit		42,761	79,163	66,044	64,973	18,903	-
TOTAL REVENUE MILES	2,229,928	2,273,041	2,376,422	1,871,071	1,580,864	3,594,377	4,902,412
REVENUE HOURS							
A-train	13,510	13,206	13,767	13,177	11,607	18,065	18,139
Access	18,512	16,982	13,327	8,838	7,656	10,937	11,334
Connect	65,262	75,972	81,580	60,248	54,327	27,623	17,635
On Demand Zones			3,749	4,176	2,508	-	-
RSVP/ Highland Village	11,068	8,463	5,370	2,645	20	-	-
GoZone	-	-	-	-	7,277	116,543	216,563
North Texas Xpress	3,912	3,888	3,866	3,899	3,579	711	1,516
UNT	54,332	44,727	45,457	36,431	33,223	37,693	37,338
NCTC	4,576	4,769	4,790	2,057	-	-	-
Frisco	2,899	4,921	6,013	3,652	2,365	4,247	4,245
Collin County Transit		1,896	4,559	3,457	3,080	992	-
TOTAL REVENUE HOURS	174,071	174,825	182,478	138,580	125,642	216,812	306,769
PASSENGERS PER REVENUE HOUR							
A-train	37.38	31.75	28.60	16.80	9.77	9.72	12.42
Access	1.60	1.78	2.23	2.30	2.12	1.94	1.96
Connect	7.48	6.22	6.98	5.70	4.06	4.72	8.05
On Demand Zones	-	-	2.38	2.16	1.65	-	-
RSVP/ Highland Village	0.41	0.53	0.66	0.35	6.01	-	-
GoZone	-	-	-	-	1.84	5.29	3.95
North Texas Xpress	1.65	2.17	3.31	2.05	1.16	2.70	1.14
UNT	35.44	42.64	40.35	26.10	13.91	27.04	38.66
NCTC	3.97	2.85	2.67	2.81	-	-	-
Frisco	1.93	1.81	2.13	1.55	1.27	1.50	2.00
Collin County Transit	-	2.52	2.54	3.14	3.51	3.18	-
AVERAGE	17.14	16.41	15.84	11.37	6.75	9.11	8.80

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 a Vote of the People: 43
- County Employees Including those in grant programs: 1,959.5
- 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. Increased output of natural gas.
- Agriculture: Approximately \$123 million total farm income
 - 80% from livestock, poultry, and products including cattle, sheep/goats, and horses.
 - 20% from crops including grains, nursery plants, hay, and turf grass.
- Recreation: Water activities at Lewisville, Ray Roberts and Grapevine Lakes, Water Works in Denton; seven U.S. Army Corps of Engineers' parks; cycling and pedestrian trails; university, cultural, and athletic events; and local activities.

Source:

Denton County Fiscal Year 2023-2034 Operating Budget
<https://www.dentoncounty.gov/2023/Operating-Budget>

Community Profile: City of Denton

Denton is a community like no other - we're welcoming, innovative, creative, diverse, unique and authentic. The City is a vibrant and growing community with many opportunities, no matter what your interest or passion. You're free to be whoever you are in a friendly atmosphere with a small-town vibe that's just a short drive from the big city.



Throughout its history, Denton has been known as a university town, home to two state universities, the University of North Texas and Texas Woman's University. With a combined enrollment of over 50,000 students, the universities bring in a variety of cultural, sports, and entertainment amenities to the Denton community. In Downtown Denton and just south of Denton are North Central Texas College campuses, the oldest continuously operating two-year college in Texas. Public education is also important in Denton, with Denton Independent School District serving more than 32,000 students and 18 cities in a 186-square-mile district.

Across Denton, there is a pulsating entertainment culture featuring live performing arts venues, music and film festivals, museums, and historical sites. Additionally, Denton has 41 parks and over 5,000 acres of open space, three recreation centers, two senior centers, a water park, community swimming pools, and just over 73 miles of trails throughout the city. Nearby lakes, hiking trails, and state parks contribute to exciting outdoor recreation opportunities.

Residents are served by the Denton County Transportation Authority, which provides A-train commuter rail, Connect Bus and UNT Campus Shuttle bus service, and GoZone on-demand rideshare to the area.

City of Denton Statistics

- Area in Square Miles: 96.35
- Population: 150,353 (Based on 2022 Estimates)
- Male/Female Ratio: 49.3 Male/50.7 Female
- Median Family Income: \$71,921
- Education: Over 91% of the population are high school graduates, with 40% holding a bachelor's degree or higher

Sources:

City of Denton - About Denton: <https://www.cityofdenton.com/528/About-Denton>

U.S. Census Data - City of Denton - Population and Demographics:

<https://www.census.gov/quickfacts/fact/table/dentoncitytexas,US/PST045222>

Community Profile: City of Highland Village

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 DFW International Airport and Interstate-35.



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, Fallen Police Officer 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.

Residents are served by the Denton County Transportation Authority, which provides A-train commuter rail and GoZone on-demand rideshare to the area.

City of Highland Village Statistics

- Area in Square Miles: 5.53
- Population: 16,105 (Based on 2022 Estimates)
- Male/Female Ratio: 52.4 Male/47.6 Female
- Median Household Income: \$162,879
- Education: Over 98% of residents are high school graduates, with 57.6% holding a bachelor's degree or higher

Sources:

City of Highland Village - About: <https://www.highlandvillage.org/403/Demographics>

City of Highland Village - Community Information: <https://highlandvillage.org/402/Community-Information>

U.S. Census Data - City of Highland Village- Population and Demographics:

<https://www.census.gov/quickfacts/fact/table/highlandvillagecitytexas,US/PST045222>

Community Profile: City of Lewisville

Lewisville shines with lots to see and do for residents and visitors alike. Quality schools, safe neighborhoods and a wide range of entertainment options are just a few of the highlights.

Whether it's fun in the sun, a family adventure, or discovering charming and unique shopping, dining and attractions, Lewisville is the place to find it all. Located only 10 minutes from Dallas/Fort Worth International Airport, Lewisville is a prime leisure destination.



Another great way to enjoy the outdoors is at the Lewisville Lake Environmental Learning Area (LLELA). Check out this 2,000-acre area below the lake dam for hiking, camping, fishing, canoeing or kayaking. Wildlife is plentiful with animals such as bobcats and white-tail deer and many varieties of birds living here.

Lewisville also offers many opportunities to experience the arts, shop or step back in time by exploring Lewisville's history. Lewisville Grand Theater, the first publicly operated arts center in Southern Denton County, opened in January 2011 in the heart of Old Town Lewisville and is a great place to catch a Broadway-style musical, a live music performance or marvel at sculptures and other visual arts. During the summer, enjoy a picnic and a free outdoor concert in the theater's courtyard during the Sounds of Lewisville series. Enjoy a play at the Greater Lewisville Community Theatre, housed in the oldest building in Lewisville built in 1885, after browsing the shops and restaurants on historic Main Street.

Residents are served by the Denton County Transportation Authority, which provides A-train commuter rail and GoZone on-demand rideshare to the area.

City of Lewisville Statistics

- Area in Square Miles: 37.01
- Population: 131,215 (Based on 2022 Estimates)
- Male/Female Ratio: 48.2 Male/51.8 Female
- Median Family Income: \$82,006
- Education: Over 89.5% of the population are high school graduates, with 40.1% holding a bachelor's degree or higher

Sources:

City of Lewisville - About Lewisville: <https://www.cityoflewisville.com/about-lewisville>

U.S. Census Data - City of Lewisville - Population & Demographics

<https://www.census.gov/quickfacts/fact/table/lewisvillecitytexas,US/PST045222>

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. R23-07**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2023-2024, BEGINNING OCTOBER 1, 2023 AND ENDING SEPTEMBER 30, 2024; 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 FY24 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 FY24 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 FY24 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 2023–2024 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 2023-2024, including Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY24 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 2022-2023 are hereby ratified, and the budget for fiscal year 2023-2024, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 24th DAY OF AUGUST 2023.

APPROVED:



Cesar Molina, Chair

ATTEST:



Dianne Costa, Secretary



Change in Net Position - DCTA (net Depreciation)				
Description	FY 2023 Adopted Budget	FY 2024		FY 2023/FY 2024 Variance
		Proposed Budget	Proposed Budget	
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$ 206,348	\$ 220,384		6.80%
Passenger Revenues (GoZone Farebox)	1,295,474	865,836		-33.16%
Passenger Revenues (Rail Farebox)	295,805	340,222		15.02%
Contract Service Revenue	3,828,781	6,065,584		58.42%
Total Operating Revenue	5,626,408	7,492,026		33.16%
GENERAL & ADMINISTRATIVE EXPENSES				
Salary, Wages & Benefits	\$ 4,143,675	\$ 5,271,741		27.22%
Outsourced Services & Charges	3,980,908	3,292,151		-17.30%
Materials & Supplies	138,050	216,500		56.83%
Utilities	44,210	70,970		60.53%
Insurance	16,707	16,523		-1.10%
Purchased Transportation	-	-		0.00%
Employee Development	279,450	620,869		122.18%
Leases	137,200	144,138		5.06%
Total G&A Operating Expenses	8,740,200	9,632,892		10.21%
BUS OPERATIONS EXPENSES (Bus Admin, Fixed Route, Demand Response)				
Salary, Wages & Benefits	\$ 7,338,434	\$ 7,511,672		2.36%
Outsourced Services & Charges	1,902,024	1,462,621		-23.10%
Materials & Supplies	1,804,482	1,837,028		1.80%
Utilities	223,297	281,150		25.91%
Insurance	463,344	334,829		-27.74%
Employee Development	69,360	90,339		30.25%
Leases	6,852	7,057		2.99%
Total Bus Operations Expenses	11,807,793	11,524,696		-2.40%
MOBILITY SERVICES EXPENSES (Lyft, Taxi, GoZone, MaaS)				
Outsourced Services & Charges	\$ 226,704	\$ 111,571		-50.79%
Purchased Transportation	11,072,145	11,862,228		7.14%
Total Mobility Services Expenses	11,298,849	11,973,799		5.97%
RAIL OPERATIONS EXPENSES				
Salary, Wages & Benefits	\$ 660,730	\$ 278,586		-57.84%
Outsourced Services & Charges	1,021,659	1,157,659		13.31%
Materials & Supplies	1,422,442	1,980,250		39.21%
Utilities	399,244	447,409		12.06%
Insurance	1,366,023	1,370,916		0.36%
Purchased Transportation	11,512,231	11,799,631		2.50%
Employee Development	15,015	14,215		-5.33%
Leases	2,400	2,400		0.00%
Total Rail Operations Expenses	16,399,744	17,051,066		3.97%
Total Operating Expenses	48,246,586	50,182,453		4.01%
Operating Income/(Loss)	(42,620,178)	(42,690,427)		0.16%
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 6,000	\$ 2,000,000		33233.33%
Lease Income	368,538	-		-100.00%
Misc. Revenues	9,255,072	10,003,458		8.09%
Sales Tax Revenue	39,646,685	40,000,000		0.89%
Federal Grants & Reimbursements	15,843,869	16,826,328		6.20%
State Grants & Reimbursements	-	-		0.00%
Long Term Debt Interest/Expense	(212,640)	(215,520)		1.35%
Total Non-Operating Revenue/ (Expense)	64,907,524	68,614,266		5.71%
Income (Loss) Before Transfers	\$ 22,287,346	\$ 25,923,839		16.32%
Transfers Out	(7,337,796)	(7,001,358)		-4.59%
Transfers In	7,337,796	7,001,358		-4.59%
Total Transfers	0	0		0%
CHANGE IN NET POSITION	\$22,287,346	\$25,923,840		16.32%

DENTON COUNTY TRANSPORTATION AUTHORITY
FY24 Proposed Budget
Capital Improvement & Major Maintenance Plan

Project Name	Project Number	Projects thru FY 2022	Projects in FY 2023	Proposed FY 2024	Proposed FY 2025	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Anticipated Project Total (Thru 2029)
Bus Services									
Bus OMF Network Video Recorder	50412	26,000	-	-	-	-	-	-	26,000
Major Maintenance - Bus (FY22)	50307	-	179,530	-	-	-	-	-	179,530
BOM Bus Gate - NEW in FY24	TBD	-	-	-	-	-	-	-	-
BOM Fuel Tank - NEW in FY24	TBD	-	-	75,580	-	-	-	-	75,580
Fleet Purchase - Bus	TBD	-	-	-	-	6,500,000	7,000,000	7,500,000	21,000,000
Major Maintenance - Bus	TBD	-	264,203	-	-	-	-	-	264,203
TAM: Fleet Replacement - UNT	TBD	-	400,000	400,000	400,000	400,000	400,000	400,000	2,400,000
TAM: Fleet Replacement - Connect	TBD	-	1,200,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	8,200,000
Rail Services									
DOTC Rail Fiber Extension	50413	125,000	-	-	-	-	-	-	125,000
Brownfield Remediation	61605	420,000	35,000	-	-	-	-	-	455,000
Positive Train Control Implementation	61406.1	16,420,141	300,000	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	61406.2	148,180	1,455,546	3,396,274	-	-	-	-	5,000,000
Major Maintenance - Rail Canopy Repairs (FY21)	61723.1	486,127	-	-	-	-	-	-	486,127
Major Maintenance - Rail (FY22)	61724	1,836,442	-	-	-	-	-	-	1,836,442
Major Maintenance - Rail (FY23)	61725	-	2,000,000	-	-	-	-	-	2,000,000
Major Maintenance - Rail (FY24)- NEW in FY24	TBD	549,953	-	2,368,780	6,198,000	5,370,000	4,869,000	4,774,000	29,663,780
Joint Rail Operations & Maintenance Facility (JROF)	TBD	-	-	11,699,959	-	-	-	-	12,049,912
TAM: Major Maintenance - Rail	61302	-	-	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	10,800,000
G&A Services									
Backup & DR Infrastructure Upgrades	10404	45,000	-	-	-	-	-	-	45,000
Fleet (Non-Revenue)	10501	-	45,000	-	-	-	-	-	45,000
Swiftly Transit Platform (CAD/AVL)	10405	-	895,803	-	-	-	-	-	895,803
Multi-Facility Firewall Upgrade	10406	-	60,000	-	-	-	60,000	-	120,000
AV Upgrade - DCTA Conference Room	10407	-	65,000	-	-	-	65,000	-	130,000
Infrastructure Acquisition	10302	2,617,009	-	634,981	-	3,852,250	-	-	11,604,240
ERP Implementation	10408	-	-	1,600,000	-	-	-	-	2,100,000
Server Infrastructure Refresh- NEW in FY24	TBD	-	-	450,000	-	-	-	500,000	950,000
Network Cloaking Hardware Deployment- NEW in FY24	TBD	-	-	40,000	-	-	-	-	40,000
Electronic Safety & Security Program - NEW in FY24	TBD	-	-	1,545,000	-	1,595,000	-	-	5,766,000
FUTURE: Stadler Laptop Replacement	TBD	-	-	80,000	-	-	-	100,000	180,000
FUTURE: Backup & DR Infrastructure Upgrades	TBD	-	-	-	-	45,000	-	-	45,000
Transportation Reinvestment Program (TRIP)									
TRIP Program Funding - FY21	10702	7,742,135	-	-	-	-	-	-	7,742,135
TRIP Program Funding - FY22	10703	-	9,833,005	-	-	-	-	-	9,833,005
TRIP Program Funding - FY23	10704	-	11,393,216	-	-	-	-	-	11,393,216
TRIP Program Funding - FY24	TBD	-	-	10,429,152	-	-	-	-	10,429,152
FUTURE: TRIP Program Funding	TBD	-	-	-	7,699,774	7,557,281	3,485,604	1,782,146	25,754,072
TOTAL CAPITAL BUDGET		\$ 30,445,987	\$ 26,463,700	\$ 35,703,929	\$ 23,993,531	\$ 22,159,867	\$ 19,079,694	\$ 18,276,546	\$ 199,434,337

Operating & Capital Budget - 2024

DENTON COUNTY TRANSPORTATION AUTHORITY FY24 Proposed Budget Long Range Financial Plan

	Approved 2022	Proposed FY2024	Proposed FY2025	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	FY2024-FY2034		
Beginning Fund Balance	\$ 77,982,275	\$ 100,001,668	\$ 94,654,688	\$ 82,070,475	\$ 69,124,383	\$ 56,328,679	\$ 46,091,688	\$ 39,076,231	\$ 32,639,767	\$ 29,372,310	\$ 25,502,446	\$ 21,028,228	\$ 18,047,627	\$ 72,982,275
OPERATING REVENUES														
Passenger Revenue	928,697	1,797,627	1,426,442	1,440,706	1,495,313	1,469,665	1,484,361	1,514,997	1,539,319	1,544,632	1,576,679	1,576,679	15,725,243	
Contract Services	3,731,371	3,628,281	6,025,584	6,346,829	6,465,468	6,691,760	6,925,971	7,149,274	7,678,948	7,947,712	8,225,881	8,513,787	88,866,698	
Other Revenue	681,289	-	-	-	-	-	-	-	-	-	-	-	681,289	
NON-OPERATING REVENUES														
Sales Tax Revenue	38,764,966	37,646,685	40,000,000	40,800,000	41,648,120	42,448,120	43,297,286	44,103,232	45,096,497	45,947,427	46,866,375	47,803,703	48,739,777	565,960,288
Operating Grants	22,468,862	11,042,809	9,602,281	8,000,000	8,334,481	8,474,691	8,639,300	8,806,699	8,972,549	9,150,256	9,319,256	9,510,244	132,477,834	
Investment Income	462,425	4,000	2,000,000	2,000,000	2,000,042	2,000,000	2,028,156	2,034,241	2,043,378	2,050,547	2,068,750	2,066,985	21,807,626	
Other Non-Operating Revenues	29,779	368,538	2,000,000	728,000	1,000,000	1,099,400	1,039,276	1,059,336	1,079,888	1,100,837	1,121,894	1,143,964	12,419,052	
TOTAL REVENUES	\$ 77,982,275	\$ 182,672,440	\$ 162,684,307	\$ 152,929,228	\$ 145,429,774	\$ 135,929,977	\$ 127,929,977	\$ 122,829,824	\$ 118,829,824	\$ 114,829,824	\$ 110,829,824	\$ 106,829,824	\$ 102,829,824	\$ 837,829,824
OPERATING EXPENSES														
Salaries, Wages & Benefits	9,231,042	12,142,839	12,948,870	13,662,265	13,990,356	14,449,970	15,111,969	15,772,248	16,366,738	17,021,607	17,702,263	18,403,354	19,146,768	216,431,871
Outsourced Services & Charges	6,946,093	6,904,091	6,034,002	6,031,002	6,314,330	6,497,971	6,641,031	6,751,338	6,883,338	7,007,078	7,201,220	7,291,982	7,431,446	301,869,000
Materials and Supplies	2,338,060	3,364,974	4,033,778	4,702,033	4,718,607	4,271,028	4,361,058	4,440,333	4,536,680	4,634,497	4,704,099	4,795,127	4,888,305	64,890,066
Purchased Transportation Services	19,238,801	22,584,376	21,661,859	24,668,331	23,962,667	26,868,373	27,667,028	28,786,269	29,939,600	31,032,992	31,981,886	31,678,305	35,025,332	453,842,066
Other Operating Expenses	3,340,771	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	3,102,599	48,335,287
NON-OPERATING EXPENSES														
Non-Operating (Income) / Expense	311,828	201,640	201,640	171,881	151,102	100,708	108,779	87,166	65,333	43,005	20,444	-	-	1,497,633
NON-OPERATING EXPENSES														
Interest Expense														
Other Non-Operating Expenses														
TOTAL EXPENSES	\$ 77,982,275	\$ 182,672,440	\$ 162,684,307	\$ 152,929,228	\$ 145,429,774	\$ 135,929,977	\$ 127,929,977	\$ 122,829,824	\$ 118,829,824	\$ 114,829,824	\$ 110,829,824	\$ 106,829,824	\$ 102,829,824	\$ 837,829,824
NET INCOME														
Professional Fees	26,411,297	10,427,928	10,724,527	7,561,493	7,011,637	6,489,223	6,227,746	5,571,148	4,882,796	4,144,328	3,352,584	2,527,894	1,604,271	80,248,421
Capital Outlay & Major Maintenance	45,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	37,445,000
Revenue for Fleet Replacement (TRM)	75,670	1,100,893	2,070,000	2,070,000	1,864,000	1,640,000	1,500,000	1,400,000	1,300,000	1,200,000	1,100,000	1,000,000	900,000	13,322,471
Professional Fees	362,330	2,000,000	2,368,760	6,231,000	6,181,000	5,911,000	4,669,000	4,794,000	5,500,000	3,446,188	3,170,659	2,281,994	1,482,043	47,896,283
Travel Safety Improvements														62,510
Major Maintenance Items - Bus														2,589,311
Major Maintenance Items - Bus (and other)														68,600,000
Fleet Purchase (Bus/Rail)														5,273,229
Positive Train Control														9,622,202
Infrastructure Acquisition - Old Town Train														18,017,310
Brownfield Remediation														18,017,310
Joint Rail Operations Facility (JROF)														18,017,310
Transportation Reinvestment Program (TRIP)														18,017,310
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	2,401,027	34,925,544	35,002,629	35,942,274	36,691,531	37,459,867	38,249,604	39,064,544	39,918,000	40,800,000	41,725,819	42,694,974	43,702,242	262,902,614
TOTAL CAPITAL MAINTENANCE AND OPER	43,046,559	83,077,856	86,031,627	76,778,807	76,355,658	77,446,548	78,577,448	79,749,748	80,967,448	82,232,348	83,544,348	84,902,348	86,314,348	1,522,808,537
CAPITAL SOURCES														
Capital Grants	95,385	2,800,060	1,737,079	1,020,000	6,220,000	7,020,000	10,020,000	10,020,000	10,020,000	10,020,000	10,020,000	10,020,000	10,020,000	70,813,464
Capital Grants - Old Town														8,987,231
Use of Capital Reserves														14,600,000
Capital Reimbursement - DART JROF														19,847,338
TOTAL CAPITAL SOURCES	684,493	12,064,120	14,075,458	6,620,000	4,872,250	7,550,000	8,020,000	8,530,000	9,040,000	9,550,000	10,060,000	10,570,000	11,080,000	114,468,333
DEBT SERVICE														
2020 Series Refunding Bonds	1,600,000	986,278	967,467	948,735	930,142	916,628	898,163	874,798	861,581	831,473	2,085,444	-	-	10,749,634

	Audited 2022	Adopted FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	FY2022-FY2034
2023 Series Refunding Bonds	865,000	1,001,500	1,024,832	1,038,096	1,053,960	1,071,480	1,090,006	1,112,368	1,138,072	1,164,592	-	-	-	12,614,176
TOTAL DEBT SERVICE	2,465,000	1,997,436	1,992,299	1,986,881	1,981,502	1,976,128	1,970,779	1,965,266	1,959,253	1,953,444	2,085,444	2,217,329	2,349,180	26,471,600
Internal Debt Service Coverage	10.71	5.26	5.39	3.81	3.53	3.36	3.13	2.81	2.45	2.08	1.61	N/A	N/A	
Outstanding Bond Principal as of September	18,600,000	17,025,000	15,225,000	13,450,000	11,575,000	9,795,000	7,885,000	5,935,000	4,000,000	2,065,000	-	-	-	
Ending Fund Balance	100,011,368	85,612,637	82,070,475	69,124,383	56,338,659	46,091,868	39,016,331	32,639,767	29,372,330	25,502,446	21,018,718	18,047,627	12,609,857	(647,553,129)
Audit Adjustment														
Less Required Fund Balance (O&M Reserve)	10,161,381	12,058,111	12,581,937	12,914,011	13,354,544	13,801,494	14,249,034	14,740,200	15,249,362	15,777,800	16,326,058	16,895,512	17,491,541	
Less Sales Tax Stabilization Fund	1,802,950	1,899,401	1,200,000	1,274,000	1,368,480	1,471,450	1,588,899	1,724,897	1,881,395	1,728,423	1,405,991	1,434,111	1,402,293	
Less Fuel Stabilization Fund	450,000	284,189	249,129	249,129	249,129	249,129	249,129	249,129	249,129	249,129	249,129	249,129	249,129	
Less Capital/Infrastructure Fund	4,000,000	2,000,000												
NET AVAILABLE FUND BALANCE	\$ 84,197,038	\$ 70,070,917	\$ 68,039,209	\$ 54,171,044	\$ 41,676,635	\$ 32,290,374	\$ 23,767,999	\$ 18,155,261	\$ 13,122,968	\$ 10,724,646	\$ 8,097,660	\$ 5,113,259	\$ 1,639,180	
RESERVES FOR CAPITAL PROJECTS (cumulative total)			3,400,000	6,800,000	9,600,000	12,500,000	14,600,000	16,400,000	18,500,000	21,400,000	23,900,000	26,600,000	22,800,000	
Use of Capital Reserve Funds			(1,000,000)	(1,000,000)	(1,400,000)	(1,800,000)	(2,200,000)	(2,600,000)	(3,000,000)	(3,400,000)	(3,800,000)	(4,200,000)	(4,600,000)	
CAPITAL RESERVE BALANCE			\$ 3,400,000	\$ 5,700,000	\$ 9,100,000	\$ 11,200,000	\$ 13,200,000	\$ 15,300,000	\$ 18,500,000	\$ 18,900,000	\$ 19,200,000	\$ 19,400,000	\$ 19,400,000	

DCTA Budget Contingency Plan
Fiscal Year 2024

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 (\$800,000)**
 - 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 (\$1,200,000)**
 - 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.

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4% Reduction (\$1,600,000)

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

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

- 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

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North Texas Mobility Corporation (NTMC) Board of Directors Regular Meeting Minutes Thursday, July 20, 2023 | 9:00 am

The Board of Directors of the North Texas Mobility Corporation convened a Regular Board of Directors Meeting with Chair Paul Cristina presiding on Thursday, July 20, 2023, at 9:00am located at the Denton County Transportation Authority (DCTA) Administrative Offices, 1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057.

Board Members

Chair Paul Cristina
Vice-Chair Fred Busche
Board Member Gina McGrath
Board Member Cassey Ogden

Officers

Maurice Bell, NTMC President
Sherelle Evans-Jones, NTMC Treasurer
Kisha Morris-Perkins, NTMC Secretary

Legal Counsel

Joseph J. Gorfida, Jr.
Nichols Jackson

CALL TO ORDER

Chair Cristina called the meeting to order at 9:01am. All Board Members were present with the exception of Vice-Chair Busche.

INTRODUCTIONS

There were no introductions during this period.

PUBLIC COMMENT

There were no public comments during this period.

CONSENT AGENDA

1. Consider Approval of Regular Meeting Minutes dated June 22, 2023
Backup Information: Exhibit 1: June 22, 2023, Meeting Minutes

Chair Cristina recommended to have the NTMC Board of Directors Meeting Minutes removed due to a typographical error on the agenda. Minutes from the June 15, 2023 NTMC Board of Directors Meeting will be considered during the August 17, 2023 Board Meeting. It was the consensus of the Board to remove the minutes from the agenda.



REGULAR AGENDA

1. Presentation of the General Manager's Monthly Report

Bertram Desha, General Manager, provided the monthly report highlighting the following:

- Staffing Vacancies
 - CDL Bus Operators (9) *
 - Service Attendant (1)
 - Mechanics (1)
 - *One (1) Bus Operator was hired July 20, 2023, decreasing the vacancies to ten (10).*
- Recruiting – June
 - Hired (6)
 - Terminations (0)
- Overtime Trend Analysis 2021-2023
- Safety Highlights
 - SDS updates for Operations, Facilities and Maintenance – Completion date: July 31, 2023
 - Safety Committee Meeting: June 26, 2023
 - Topics Covered: Rider Code of Conduct, How to Ride the Bus, Network Connectivity, Risk Assessment, Hazard/Accident Reporting.
 - Monthly Safety Meetings: June 20, 21, and 24, 2023
 - Topics Covered: Pedestrian Awareness, Emergency Preparedness, Slips, Trips and Falls, Heat Awareness and Hazard Recognition/Response. Introduction of Danny Gaines, Training Coordinator.
 - Safety FY 23 – FTA Reportable Events (3)
 - Safety FY 23 – Preventable Events (1.67)
 - FY 23 – Connect On-Time Performance
 - FY 23 – UNT On-Time Performance
 - FY 23 – Demand Response: By City
 - FY 23 – Demand Response: June 2023
 - Customer Feedback – Complaints per 100k Riders (most common complaints: Driver Conduct, On-Time Performance and Station, Shelter, Bus Stop)

No Board action required at this time.



2. Monthly Financial Statements: FY 2023 Comparison to Prior Years (2020, 2021, 2022)

Jane Filarowicz, Senior Manager of Budget, reviewed the monthly financial statements last updated July 10, 2023.

No Board action required at this time.

3. Presentation of the North Texas Mobility Corporation (NTMC) Staff Spotlight

The NTMC Employee recognized for the month of July: Travis Johnson, Operator

No Board action required at this time.

4. Discuss and Consider Approval of the Fiscal Year (FY) 2024 NTMC Operating and Capital Budget

Jane Filarowicz, Senior Manager of Budget, presented highlighting the following:

- Asked & Answered
 - NTMC Living Wage Increase
 - NTMC Funding Incentives for Hiring/Retention
- Proposed Budget: FY 2024 NTMC Statement of Revenue and Expenditures – Updated July 10, 2023
- Proposed Budget: FY 2024 NTMC Transfer in from DCTA – FY 2023 and FY 2024

Motion by Board Member Ogden and a second by Board Member McGrath to approve Fiscal Year 2024 NTMC Budget as presented. Motion passes 3-0.

FUTURE AGENDA ITEMS AND BOARD MEMBER REQUESTS

General Manager – Performance Evaluation

CONVENENE EXECUTIVE SESSION

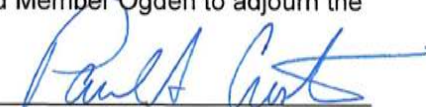
The Board did not convene into Closed Executive Session.

RECONVENE OPEN SESSION

Not applicable.

ADJOURN

Motion by Board Member McGrath with a second by Board Member Ogden to adjourn the meeting at 9:30am. Motion passes 3-0.


Paul A. Cristina, Board Chair


Kisha Morris-Perkins, Board Secretary

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.

Actual - Final audited revenue or expenditure results of operations for the fiscal year indicated.

ADA - Americans with Disabilities

Appropriation - a sum of money or total of assets devoted to a special purpose.

Asset - an item of monetary valued owned by the Agency

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.

DART - Dallas Area Rapid Transit

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.

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

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 (ELP) – 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.

GFOA - Government Finance Officers Association

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

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

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

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

KPI - Key performance indicator

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

Liability - Financial obligation of a company that results in the company's future sacrifices of economic benefits to other entities or businesses. **Long Term Debt** - Debt with maturity of more than one year from the date of issuance.

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.

NTMC - North Texas Mobility Corporation

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 (OPEX) – 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.

TOD - Transit Oriented Development

Unappropriated Fund Balance - Funds that are neither expended or obligated (encumbered) and the amount appropriated is available for future use.

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

The logo for Denton County Transportation Authority (DCTA) features the letters "DCTA" in a bold, white, sans-serif font. The letters are set against a dark green background that has a yellow outline at the top, resembling a mountain range. A yellow swoosh underline is positioned beneath the letters, extending to the right and curving downwards.

DCTA

DENTON COUNTY
TRANSPORTATION AUTHORITY

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