



DENTON COUNTY  
TRANSPORTATION  
AUTHORITY



Operating &  
Capital Budget

2025



# Operating & Capital Budget Fiscal Year 2025



**Denton County Transportation Authority**  
**1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057**  
<https://www.dcta.net/>

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DENTON COUNTY  
TRANSPORTATION  
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## ***Our Mission***

***Getting people where they need and want to go for work, play, and life.***

## ***Our Vision***

***DCTA is driving a better future for Denton County by providing innovative mobility options, supporting the region's economic growth, creating community engagement, and promoting sustainable transportation.***

## ***FY25 Strategic Goals***

- ***Develop and deliver transportation offerings that meet expectations of Denton County and member city stakeholders***
- ***Provide exceptional client service through the full cycle of transportation engagement - transaction, service delivery, feedback and follow-through***
- ***Provide cost-effective services, support economic growth and enhance quality of life in Denton County and across the region***

# Company Core Values

- **Safety**
- **Community**
- **Innovation**
- **Accessibility**
- **Stewardship**
- **Prosperity**

## **DCTA delivers on its core values by providing:**

- **Safety**

*Safety is the most important thing we do. We care for our community as a trusted service provider that ensures our customers and employees are healthy and well.*

- **Service**

*We deliver essential transportation services to our member cities and partners that are accessible to all regardless of ability or geography. Our ability to innovate enables transit to expand its presence and relevance in the region.*

- **Ridership**

*Public transportation enables prosperity in the region by getting people where they need and want to go. Our ridership is a leading indicator of our effective stewardship of the resources entrusted to us.*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Denton County Transportation Authority  
Texas**

For the Fiscal Year Beginning

**October 01, 2023**

*Christopher P. Morill*

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, 2023. FY 2024 is the 18th 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

2025





DENTON COUNTY  
TRANSPORTATION  
AUTHORITY

November 22, 2024

Board Chair and Members of the Board:

We are pleased to present to you the Fiscal Year 2025 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 begins Fiscal Year 2025, having achieved its 23rd year of service in Denton County. The agency continues to maintain solid financial reserves, healthy revenue from local sales tax, and has achieved its highest ever ridership ever in FY 2024. In fact, DCTA's performance since 2021 has been exceptional as an agency and has nearly tripled ridership the last 3 years. 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	\$51,896,141
Capital	\$24,896,250
Debt Service	\$1,986,811
Year-end 9/25 Fund Balance	\$59,739,399

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.

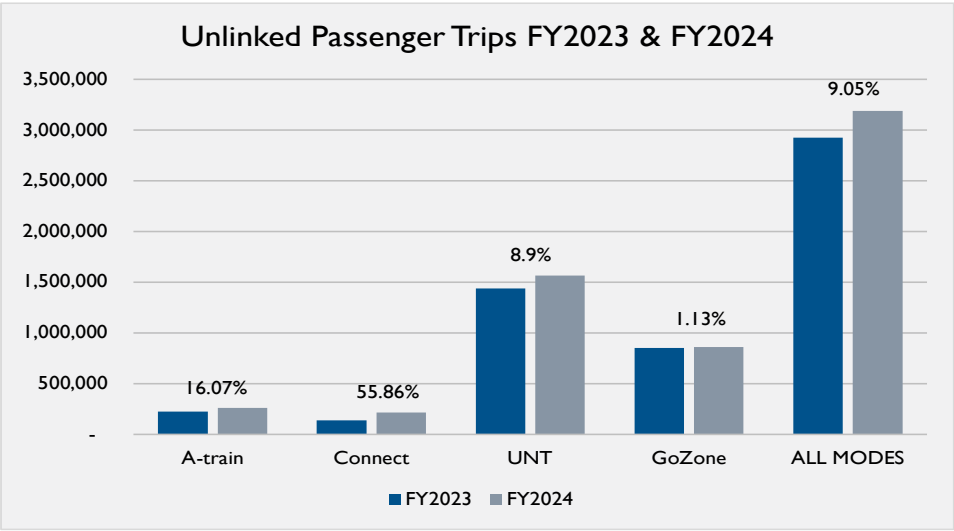
In June through August, staff and the Board of Directors reviewed reserve fund policies and escalation assumptions used in the development of the Long-Range Financial Plan as well as developed and reviewed revenue projections, operating expenses, and capital requirements.

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.

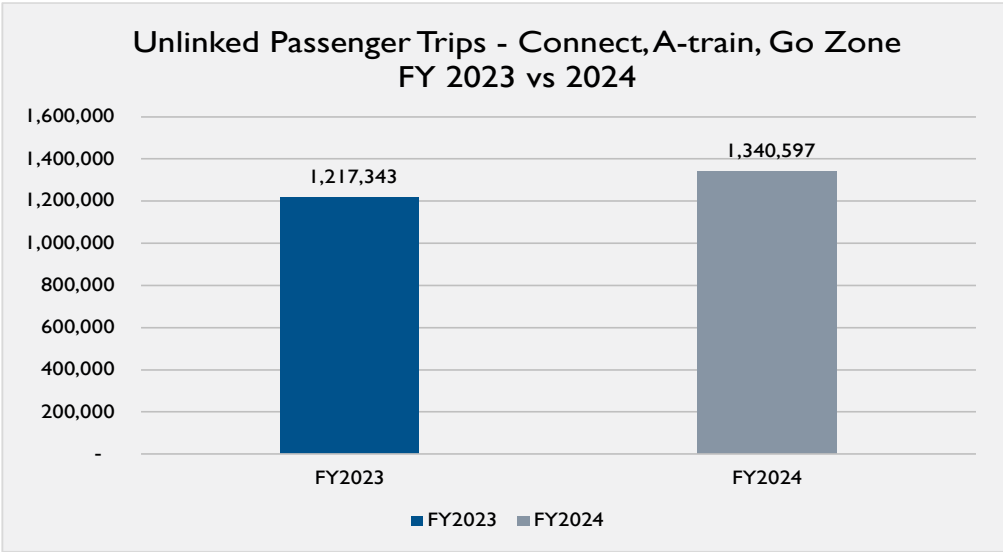
The proposed budget was first presented to the Board in a June Budget Workshop and a revised draft was provided for review and public comment at the Board’s July meeting. The Board adopted the FY25 Operating and Capital Budget, the updated Long-Range Financial Plan, and the Budget Contingency Plan at the August 2024 Board meeting. The FY25 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.

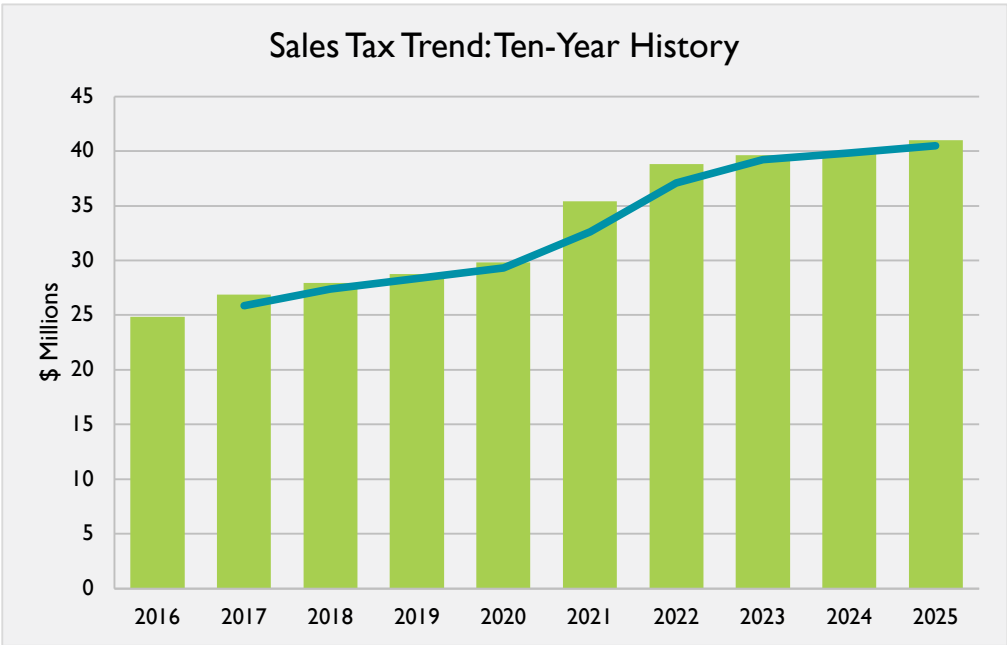
The FY25 budget reflects DCTA's efforts to continue to grow the exceptional value of public transit to the citizens of Denton County, our member cities, and the DFW region. The local and federal resources allocated in the FY24 budget allowed DCTA to foster healthy growth as overall ridership rose to its highest point in DCTA's history. The Connect bus service and A-train saw the largest ridership gains last year. DCTA will continue to expand data-driven metrics to optimize our modal offerings to move as many people as cost-effectively as possible.



The FY25 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 FY24 budget allowed DCTA to foster healthy growth as overall ridership rose to its highest point in DCTA's history. The Connect bus service and A-train saw the largest ridership gains last year. DCTA will continue to utilize data-driven metrics to optimize our modal offerings to 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 \$41M, up slightly from the FY24 budget which was \$40M.



DCTA's budgets many of the operating costs with some of the same inflationary pressures that are prevalent nationwide. For example, services such as utilities or computer and software maintenance are built in with projected increases. However for FY 2025, fuel costs were reduced somewhat based on historical usage trends to more closely align budget with anticipated actual results. It is also important to note though these costs are fully reimbursable within our Bus and Rail operating contracts.

Our DCTA employees are essential to our success as an agency. The agency worked tirelessly in FY 2023 and FY 2024 to fill vacant positions. With some of the agency employees now achieving the one- and two-year tenure mark, and the addition of other key positions, the agency continues to move toward full strength. In addition, it allows for clear goals and objectives to be set for intermediate and longer term plans and objectives.

One of the most significant organizational transformations to occur last year was the direct hire of the bus operators into DCTA following the dissolution of the ILA that existed between DCTA and NTMC for bus service and the support staff. This move enables a singular, unified DCTA organization to maximize efficiencies and effectiveness. It also enabled DCTA to provide a more comprehensive benefits package to ensure recruiting and retention among our bus operators.

The FY25 budget reflects targeted, 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 16% year over year (FY24 over FY23), and this year's budget continues the same level of service on the A-train. Train frequency, which is at 30-minutes on weekdays, is a significant contributor to enhancing the rider experience. DCTA is committed to maximizing ridership on this important mode in anticipation of even more demand this year. The FY25 budget contains a capital maintenance budget of \$3.1M, reflecting the needs of an aging rail vehicle fleet. The budget also provides some initial funding to commence design work to increase speed and frequency on the A-train. The long-term goals of the program include reducing run time on the existing alignment, extending its reach to downtown Carrollton in order to one day meet the DART Silver Line service, and providing a peak frequency of 15-minutes. This 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 56% last year, up to 133,000 total trips. Because of the success and continued demand for fixed route service evident from Go Zone data, the board approved an additional frequency increase to have all three routes run at 20-minute intervals from 7:00am - 9:00pm Monday through Friday. The Intermediate Service Plan in FY 2025 may yield recommendations for additional bus frequency investment, enabling the continued transition of GoZone riders in these areas to the bus network which is 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. Ridership on the service grew approximately 9% year over year to deliver 1.6 million trips overall to UNT and the City of Denton. DCTA, the University of North Texas, and the City of Denton began dialogue in FY 2024 aimed at optimizing the UNT fixed route service and understanding the cost of the Bus and GoZone services versus the contract rate paid by UNT to DCTA for fixed route service. The three partners have committed to further conversation in FY 2025 that will enable a step toward a comprehensive, multi-modal network approach to service in the City of Denton that leverages fixed route service, microtransit service, and UNT's financial participation in the most cost-effective manner possible.

## **GoZone / Microtransit**

GoZone, DCTA's microtransit service, saw ridership increase 1.3% to 863,104 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 FY25 budget features continued funding of micro-transit solutions in Coppell, Frisco and Collin County Rides continuing successful relationships with those cities. 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 5% ridership increase from 2023 to 2024, totaling over 251,000 trips. The Vanpool operating budget provides funding to accommodate additional growth in the program and is 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. Under the current policy, 2025 is the final year of the TRiP program. The DCTA Board will consider continuation of the program in 2026 and beyond with a new policy. The TRiP budget for 2025 will be set at 15% of DCTA's net available fund balance after capital budgets, board-required reserves and reserves from unexpended TRiP funds 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, P.E.  
Chief Executive Officer



Sherrelle Evans-Jones, CPA  
Chief Financial Officer



Jane Filarowicz  
Senior Manager, Budget & Grants

## Foundational Benefits



## 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 long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the Executive 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

- Two-day work session in January with executive team and board members on long-term goal planning
- Develop service standards and implement preferred service
- Transformation implementation project management for goal setting, work plan, performance evaluation process
- Improved on-time performance
- Close to implementing an ERP upgrade within 12-16 months from inception
- Improved monthly reporting and data visualizations
- Planning for future staff development and retention
- Focus on intermediate service plan and key resources to get passengers to their locations safely and on time

## 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 non-voting members. Board members must have professional experience in the field of transportation, business, government, engineering, or law. In accordance with DCTA bylaws, the Board adopts the annual operating budget and is responsible for setting policy. The CEO oversees the day-to-day operations of DCTA and implements policies set forth by the Board.

Policy and Administration

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

Mayor TJ Gilmore, Chair	Lewisville
Cesar Molina, Vice-Chair	Denton County
Judge Andy Eads, Secretary	Denton County
Alison Maquire	Denton
Dan Jaworski	Highland Village

Board of Directors – Non-Voting Members

Dennie Franklin	Frisco
Jeremie Maurina	The Colony
Blaine Crimmins	The Colony
Jared Eutsler	Corinth
Vacant	Flower Mound
Vacant	Little Elm
Vacant	Small Cities

Board of Directors - Alternates

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

DCTA Executive Management Team

Paul Cristina - Chief Executive Officer
Sherelle Evans-Jones - Chief Financial Officer
Jackie Bronson - Vice President Engagement & Administration
Austin Frith - Vice President of Planning and Development
Javier Trilla - Vice President of Innovation and Information Technology
Lisa Taylor - Vice President of Operations

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 road map. In FY2025, 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



### 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 3.2 million rides and three years of service with the Go-Zone on-demand rideshare service, offering member cities safe, convenient and affordable mobility options



Began work on a new enterprise resource planning (ERP) for Finance and Human Resources



Continued work on Intermediate Service Plan to better integrate Go Zone and bus services, and bus stop and routes to best align with ridership



Hired or promoted key roles in the agency including the executive and leadership team to better manage the agency and allow for strategic planning and execution



## Building Public Transit for the Future

GoZone, DCTA's on-demand rideshare service operated by Via, has moved over 2 million passengers since inception. GoZone expanded DCTA's service offerings by providing trips to passengers in areas that were previously unserved, 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.

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 Bus UNT Campus Shuttle and North Texas Xpress bus services, along with Access Paratransit, Frisco Demand Response and Collin County Rides (in 2024).

## Vision

DCTA is driving a better future for Denton County by providing innovative mobility options, supporting the region's economic growth, creating community engagement, and promoting sustainable transportation.

## Mission

Getting people where they need and want to go for work, play, and life.



# 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:

●	<b>2002</b>	Denton County voters overwhelmingly approve the creation of DCTA
●	<b>2003</b>	Denton, Lewisville and Highland Village vote to join DCTA and levy a half-cent sales tax to finance the system
●	<b>2005</b>	The University of North Texas (UNT) and DCTA sign an agreement for a new shuttle bus system to serve the University
●	<b>2006</b>	DCTA begins Connect Bus service in the City of Denton
●	<b>2009</b>	DCTA starts A-train construction and breaks ground on four rail stations - Hebron, Old Town, Highland Village/Lewisville, and MedPark
●	<b>2011</b>	DCTA's 21-mile A-train commuter rail line launches service to the public
●	<b>2012</b>	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
●	<b>2013</b>	The A-train exceeds one million passengers
●	<b>2016</b>	DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro, providing service to north Fort Worth
●	<b>2017</b>	DCTA launches support for the Transit mobile app, providing riders with real-time tracking information for A-train, Connect, and UNT Campus Shuttle vehicles
●	<b>2018</b>	DCTA becomes the first transit agency in Texas to begin testing federally-mandated Positive Train Control (PTC)
●	<b>2019</b>	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)
●	<b>2021</b>	DCTA launches GoZone, its on-demand rideshare service, providing customers with tailored rides in Denton, Lewisville, and Highland Village
●	<b>2023</b>	GoZone achieves one million completed rides in 18 months of service
●	<b>2024</b>	DCTA hit 3.2 million trips in FY24 marking the most ridership in the agency's history



# A-train Facts



## Five A-train Stations



## 21 Miles of Track



## 19 Miles of A-train Rail Trail

## 11 Trains in Fleet

- Weekdays Every Half-Hour
- Saturdays Every Hour

<b>911</b> Average <b>Weekday</b> Boardings	<b>563</b> Average <b>Saturday</b> Boardings	<b>5,030</b> Average <b>Weekly</b> Boardings	<b>21,797</b> Average <b>Monthly</b> Boardings	<b>261,563</b> Total <b>FY 2024</b> Ridership
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## 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 along the A-train commuter rail line and complements surrounding facilities. It covers approximately 19 miles and connects riders from the Downtown Denton Transit Center (DDTTC) 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		<ul style="list-style-type: none"><li>• 3 Connect Routes</li><li>• 15 UNT Routes</li></ul>		<ul style="list-style-type: none"><li>• 11 Bus Shelters (DCTA); 6 (UNT)</li><li>• 80 Bus Stops</li></ul>
34,373 Average <b>Weekly</b> Boardings	148,950 Average <b>Monthly</b> Boardings	218,600 Connect <b>FY 2024</b> Ridership	1,568,797 UNT Shuttle <b>FY 2024</b> Ridership	1,787,397 Total Bus <b>FY 2024</b> Ridership

## 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.

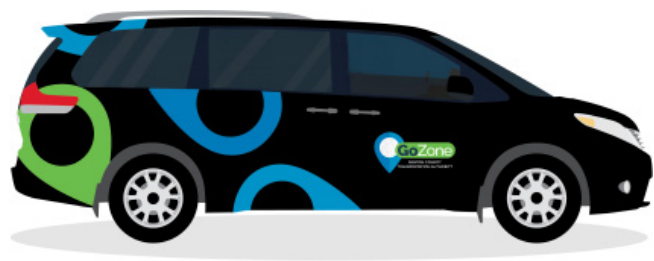


**Frisco Demand Response:** DCTA provides appointment-based paratransit service for elderly or disabled residents of Frisco and portions of Plano as a contract service.

**Collin County Rides:** In 2024, DCTA launched 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 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 the central core of the city of Denton
- **Lewisville/Highland Village Zone**, serving the cities of Lewisville and Highland Village

<b>16,526</b> Average <b>Weekly</b> Boardings	<b>71,923</b> Average <b>Monthly</b> Boardings	<b>863,104</b> GoZone <b>FY 2024</b> Ridership
<b>80 Vehicles in Fleet</b>	<b>Average Wait Times</b> (Goal: < 24 Minutes) <ul style="list-style-type: none"><li>• <b>21.8 Minutes:</b> Denton Zone</li><li>• <b>20.8 Minutes:</b> Lewisville/Highland Village Zone</li></ul>	

## 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



<b>GoZone</b> has made transportation accessible to many more people in our community			
<b>83%</b> of GoZone riders use it for essential trips such as healthcare, grocery stores, school, or work	<b>62%</b> of GoZone riders report their annual income as less than \$25,000	<b>73%</b> of GoZone riders also use other DCTA services	<b>75%</b> 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.

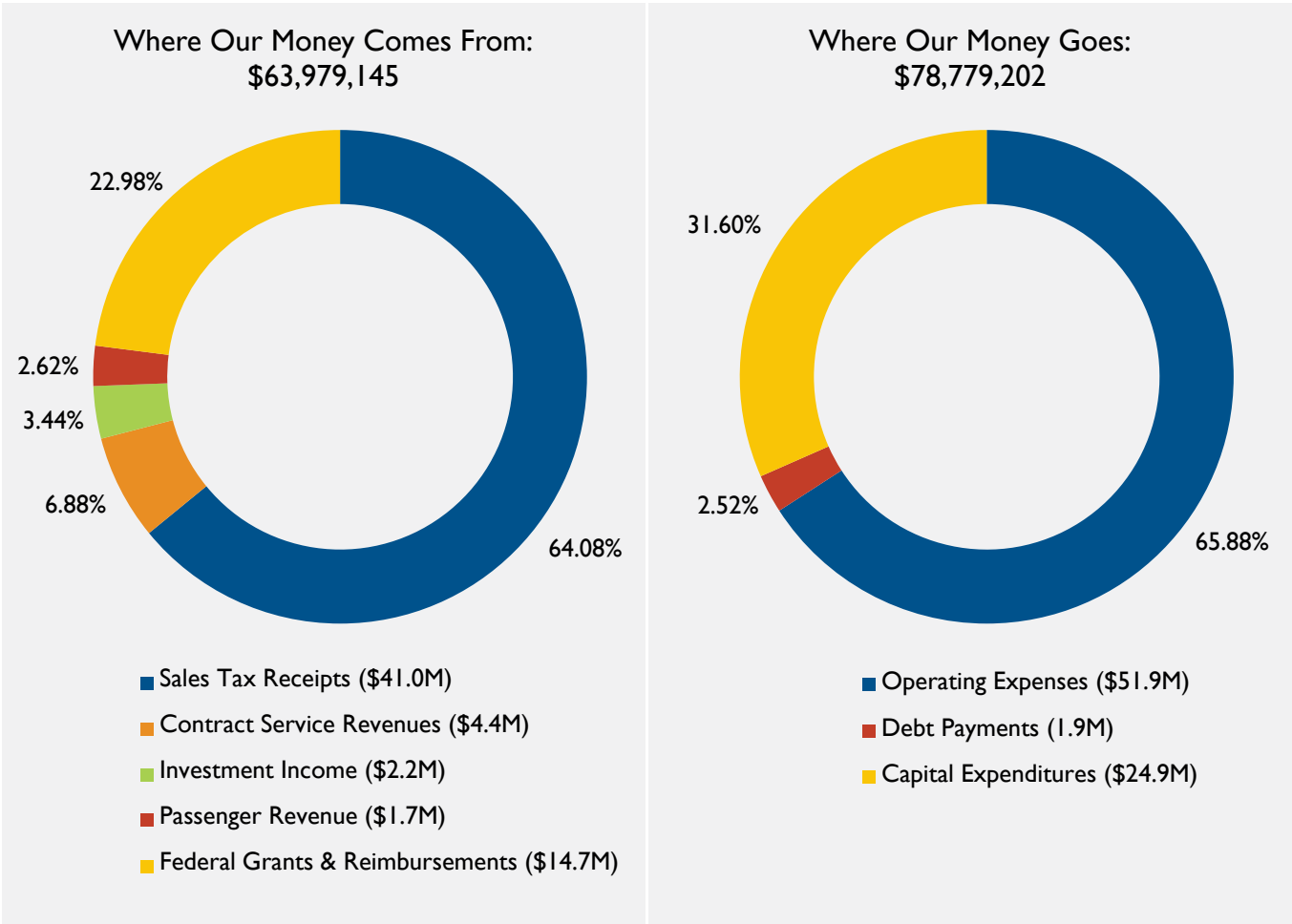
Fare Type	Local Price	Regional Price	Local / Regional Reduced	Where to Buy
<b>Local AM</b>	\$1.50	—	\$0.75 / —	TVM, GoPass
<b>Local PM</b>	\$1.50	—	\$0.75 / —	TVM, GoPass
<b>Day Pass</b>	\$3.00	\$12.00	\$1.50 / \$3.00	Ticket Outlets, TVM, GoZone app, GoPass
<b>7-Day Pass</b>	\$15.00	—	—	Ticket Outlets, TVM, GoZone app, GoPass
<b>GoZone (Single Ride)</b>	\$1.50	—	—	Cash (Exact Change), GoZone app, onboard
<b>10-Day Pass</b>	\$20.00	\$84.00	—	Ticket Outlets, Online
<b>Monthly Pass</b>	\$48.00	\$192.00	\$24.00 / \$48.00	Ticket Outlets, TVM, GoZone app, GoPass
<b>Annual Pass</b>	\$480.00	\$1,920.00	\$240.00 / \$576.00	Ticket Outlets, Online

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

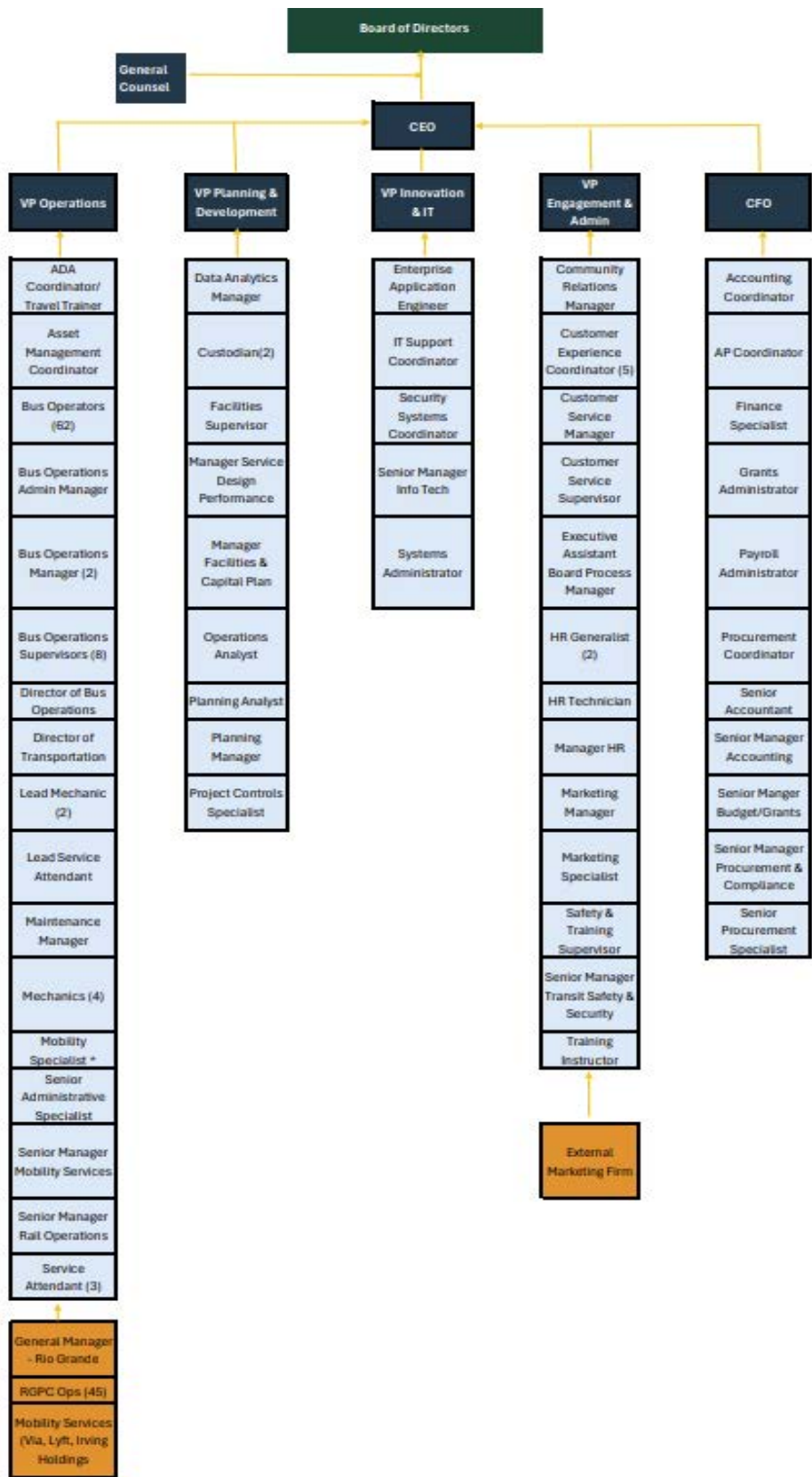
### Driving a better future for Denton County

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 FY24, DCTA reached numerous milestones in relation to mobility, air quality, economic development, and livability. Read about key FY24 milestones below:

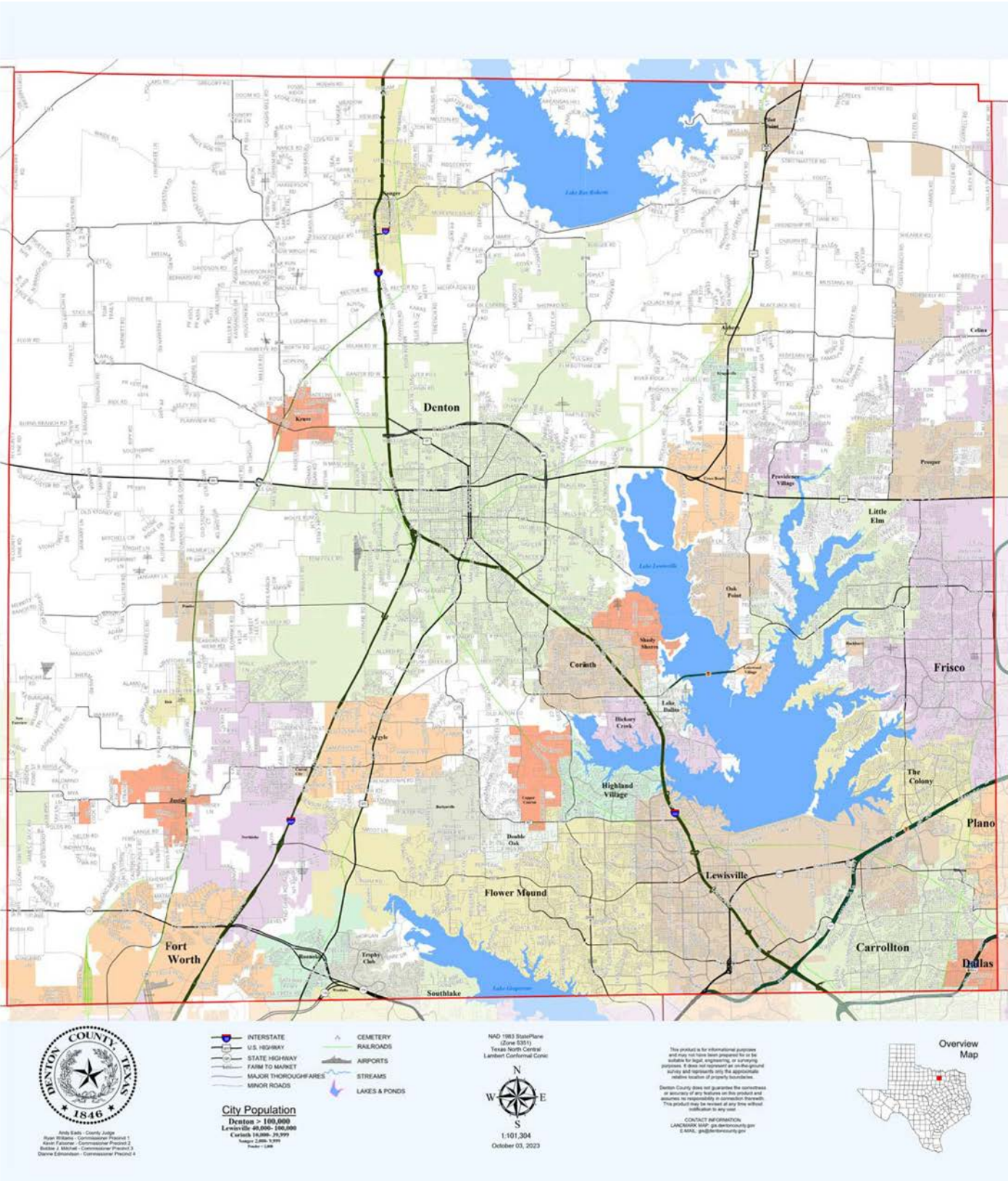
- Grew annual ridership to an all-time record of 3,189,372 trips, nearly tripling ridership in three years
- Grew Connect Bus ridership by 56% following targeted, data-driven investment in frequency
- Took next step to network optimization by removing GoZone capacity from the Connect 3, 6, and 7 travel shed and re-allocating GoZone capacity to Denton and Lewisville
- Service excellence enabled A-train ridership growth of 16% over FY 2023, making it one of the top-performing commuter rail systems in the country
- Ended DCTA's Interlocal Agreement with North Texas Mobility Corporation to directly hire bus operators and support staff. This move unified the DCTA organization, enhanced pay and benefits for former NTMC employees, and increased bus operator staffing more than 10% in time for service change
- Deployed a new dispatch software platform for Paratransit operations to drive more efficient operations

Organizational Chart



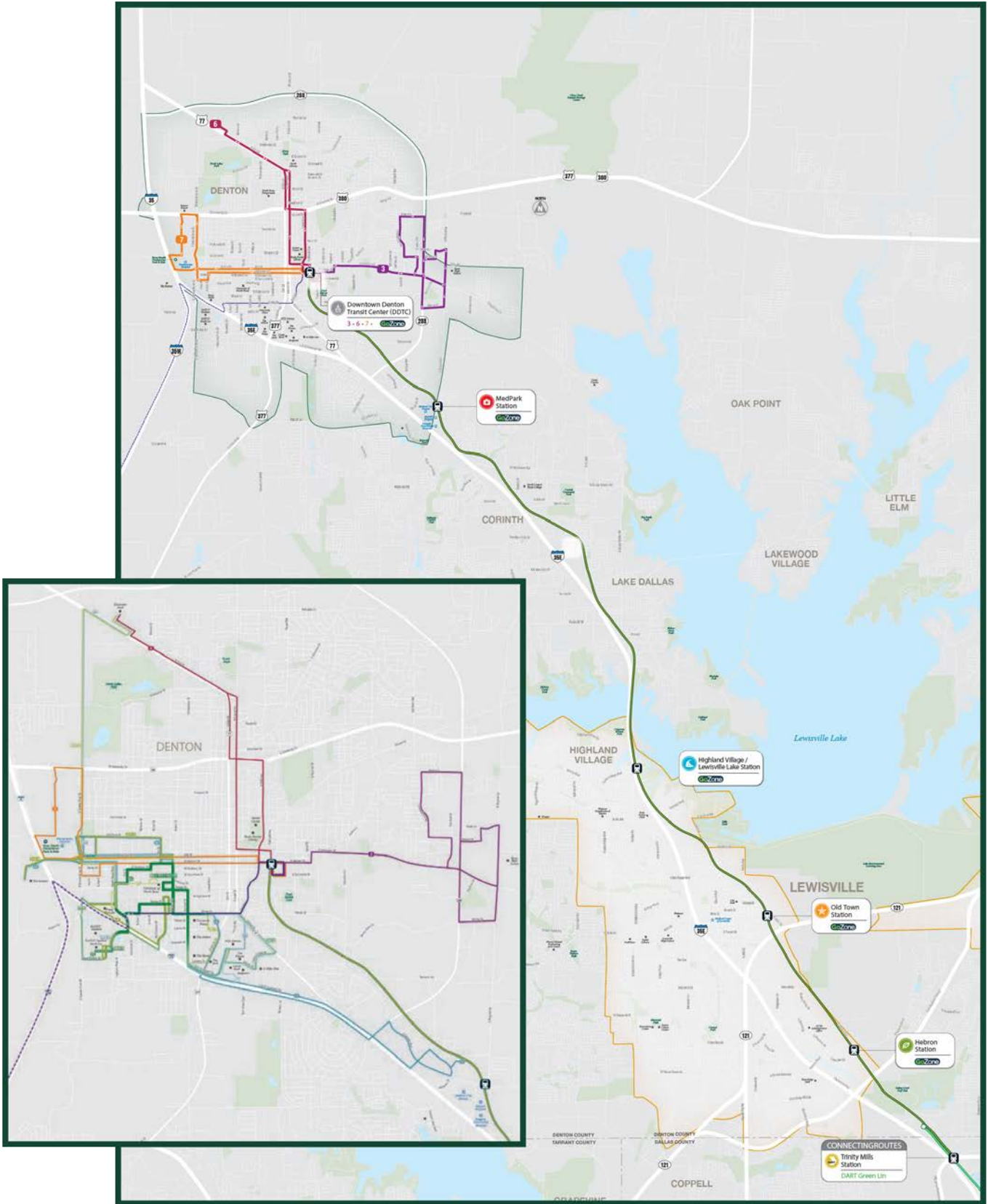


Denton County Map





Service Area Map



# Operating Budget Summary



Operating &  
Capital Budget

2025





## 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

During FY2024 and prior, the North Texas Mobility Corporation (NTMC) was 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. In July 2024, the inter-local agreement between DCTA and NTMC was terminated. For FY2025, the Authority reports DCTA's financial condition and results of operations as one unit.

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**

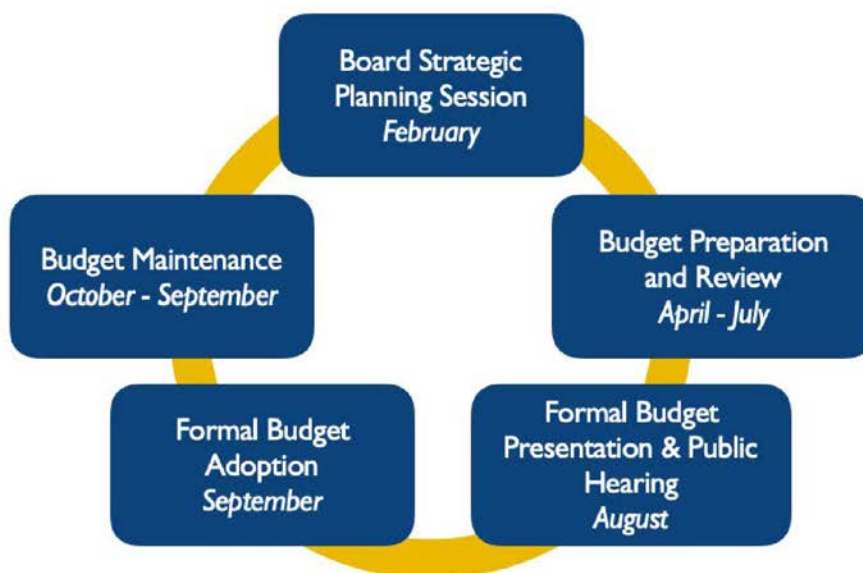
Once the operating & capital budget components have been identified, all aspects are incorporated into the Long- Range Financial Plan. This allows staff to ensure that all programs are sustainable and within our financial limits.

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-November: Staff completes the Budget Document
- November: 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 FY 2025

Total Operating Budget		\$51,896,141	
Internal Debt Coverage Ratio		4.04 Requirement is 1.25%	
Federal Grant Revenue Includes Operating & Capital		Sales Tax Revenue Accounts for 52.41% of Total Revenue	
\$14,703,218		\$41,000,000	
Bus		Rail	On-Demand
			
Ridership Projections	1,540,692	297,131	1,105,278
Fuel Cost Projections	\$869,400 248,400 Gallons \$3.50 per Gallon	\$1,135,000 252,222 Gallons \$4.50 per Gallon	
Total Service Miles	690,575	403,971	
Transportation Reinvestment Program		\$5,967,642	

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

## Operating & Capital Budget - 2025

	FY 2023 Actuals	FY 2024 Adopted Budget	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>OPERATING REVENUE</b>				
Passenger Revenues (Bus Farebox)	\$312,859	\$220,384	\$611,884	\$363,000
Passenger Revenues (GoZone Farebox)	896,629	865,836	865,836	950,000
Passenger Revenues (Rail Farebox)	360,282	340,222	340,222	362,312
Contract Service Revenue	4,233,303	6,065,584	6,606,086	4,400,615
<b>Total Operating Revenue</b>	<b>\$5,803,073</b>	<b>\$7,492,026</b>	<b>\$8,424,028</b>	<b>\$6,075,927</b>
<b>OPERATING EXPENSES</b>				
Salary, Wages & Benefits	\$9,119,157	\$13,061,999	\$13,058,083	\$14,288,291
Outsourced Services & Charges	5,831,688	6,022,302	6,646,450	5,562,583
Materials & Supplies	2,450,884	4,035,478	3,548,040	3,371,597
Utilities	497,792	799,529	751,728	761,572
Insurance	1,586,292	1,722,268	1,722,268	1,874,600
Purchased Transportation Services	22,251,475	23,661,859	25,059,495	25,053,458
Employee Development	179,558	725,423	728,809	795,340
Leases & Rentals	142,445	153,595	158,595	188,700
Depreciation	9,074,611	11,099,129	11,099,129	10,832,092
<b>Total Operating Expenses</b>	<b>\$51,133,903</b>	<b>\$61,281,582</b>	<b>\$62,772,598</b>	<b>\$62,728,233</b>
Operating Income / (Loss)	(\$45,330,830)	(\$53,789,556)	(\$54,348,570)	(\$56,652,306)
<b>NON-OPERATING REVENUE / (EXPENSE)</b>				
Investment Income	\$4,434,145	\$2,000,000	\$2,000,000	\$2,200,000
Lease Income	14,000	-	-	-
Misc. Revenues	909,745	10,003,458	-	255,000
Sales Tax Revenue	40,292,936	40,000,000	40,000,000	41,000,000
Federal, State Grants & Reimbursements	9,491,573	16,826,328	17,164,728	14,703,218
Gain (Loss) on Disposal of Assets	52,900	-	-	-
Long Term Debt Interest/Expense	(\$212,684)	(\$215,520)	(\$215,520)	(\$171,811)
<b>Total Non-Operating Revenue / (Expense)</b>	<b>\$54,982,616</b>	<b>\$68,614,266</b>	<b>\$58,949,208</b>	<b>\$57,986,407</b>
Income (Loss) Before Transfers	9,651,785	14,824,710	4,600,638	1,334,101
Transfers Out	(5,577,506)	(7,001,358)	(7,001,358)	-
Transfers In	\$5,577,506	\$7,001,358	\$7,001,358	-
<b>Total Transfers</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CHANGE IN NET POSITION</b>	<b>\$9,651,785</b>	<b>\$14,824,710</b>	<b>\$4,600,638</b>	<b>\$1,334,101</b>
<b>Net Position - Beginning of Year:</b>	<b>384,875,849</b>	<b>385,923,611</b>	<b>365,044,392</b>	<b>346,582,408</b>
<b>Net Position - End of Year:</b>	<b>394,527,634</b>	<b>400,748,321</b>	<b>369,645,030</b>	<b>347,916,509</b>
Transfer to Capital Projects	(8,604,023)	(35,703,929)	(23,062,622)	(24,896,250)
<b>Net Position After Capital Project Transfer</b>	<b>385,923,611</b>	<b>365,044,392</b>	<b>346,582,408</b>	<b>323,020,259</b>

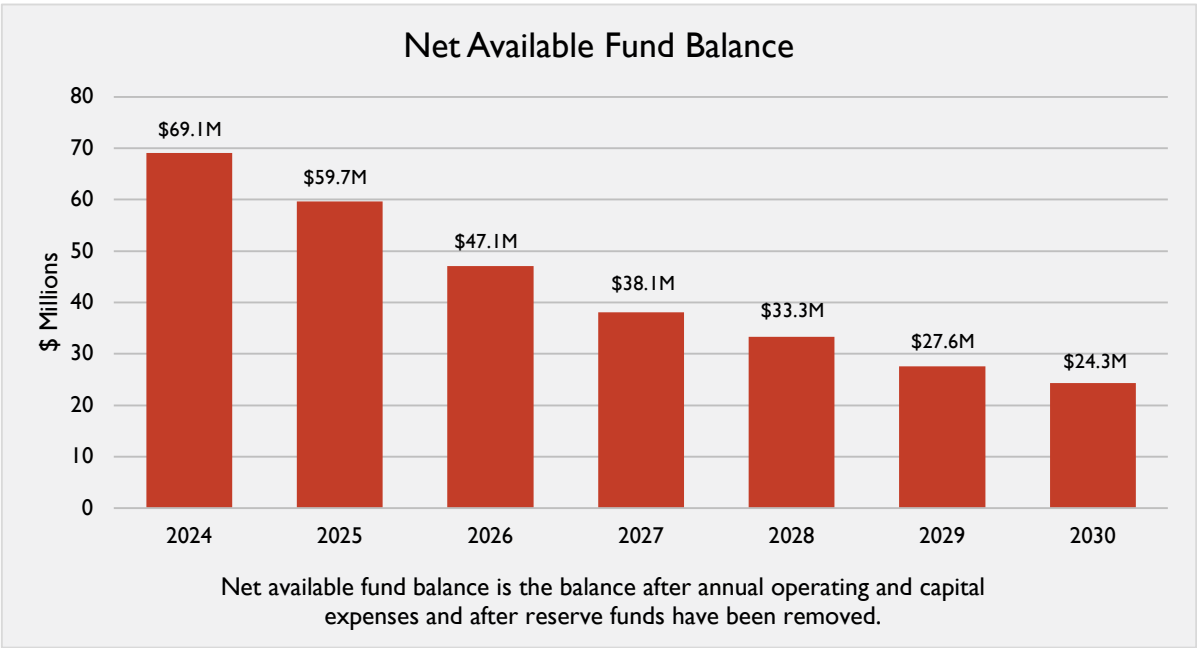
\*Includes DCTA & NTMC operating budget and transfers combined and (b) liabilities and deferred inflows of resources

### 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:

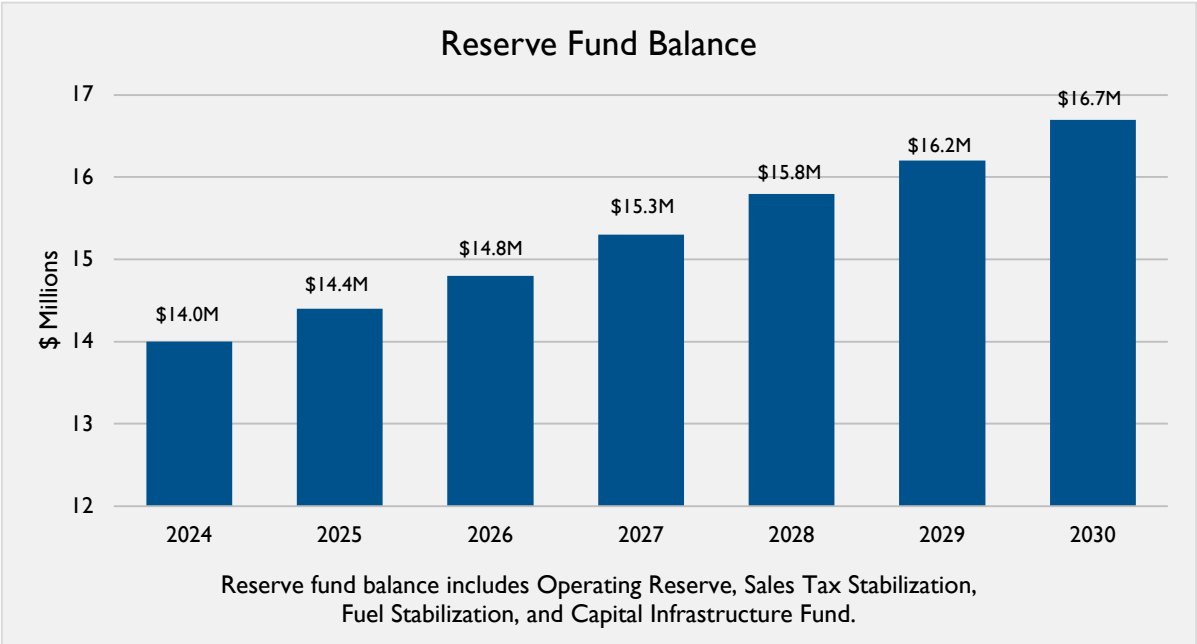
- Labor cost inflation is forecasted at a 4% increase for Administrative & Operations and 4% for year over year.
- Health benefit cost inflation varies and is based on a historical average and current plans.
- All contract rates for bus and rail service are based on current contracts and escalated per 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

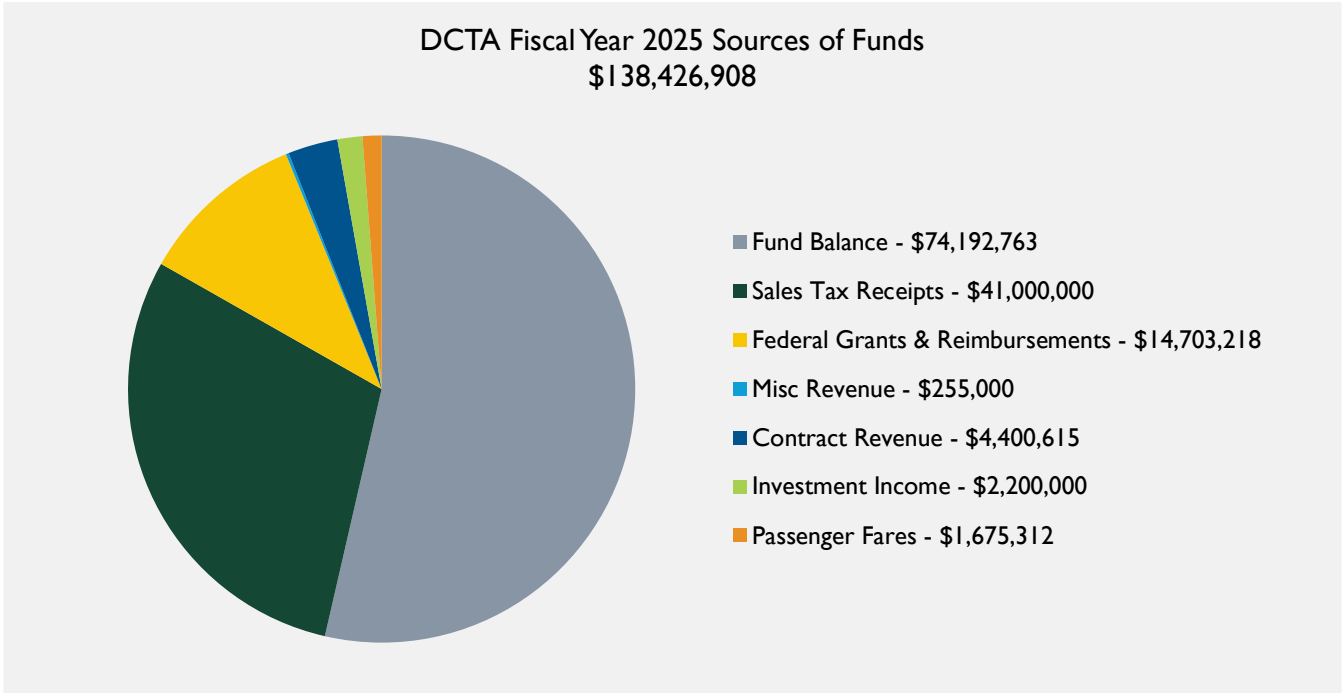
	Adopted FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030
Beginning Fund Balance:	\$94,654,688	\$83,097,819	\$74,192,763	\$61,994,042	\$53,377,019	\$49,012,617	\$43,838,042
<b>OPERATING REVENUES</b>							
Passenger Revenue	1,426,442	1,675,312	1,692,065	1,708,986	1,726,076	1,743,336	1,760,770
Contract Services	6,065,584	4,400,615	4,554,637	4,714,049	4,879,041	5,049,807	5,226,550
<b>NON-OPERATING REVENUES</b>							
Sales Tax Revenue	40,000,000	41,000,000	41,820,000	42,656,400	43,509,528	44,379,719	45,267,313
Operating Grants	14,573,299	10,383,400	10,584,838	10,790,184	10,999,513	11,212,904	11,430,434
Investment Income	2,000,000	2,200,000	2,206,600	2,213,220	2,219,859	2,226,519	2,233,199
Other Non-Operating Revenues		255,000	257,550	260,126	262,727	265,354	268,008
<b>TOTAL REVENUES</b>	<b>\$64,065,325</b>	<b>\$59,914,327</b>	<b>\$61,115,690</b>	<b>\$62,342,964</b>	<b>\$63,596,744</b>	<b>\$64,877,639</b>	<b>\$66,186,273</b>
<b>OPERATING EXPENSES</b>							
Salaries, Wages & Benefits	13,061,999	14,288,291	14,859,823	15,454,216	16,072,384	16,715,280	17,383,891
Outsourced Services & Charges	6,022,302	5,562,583	5,673,835	5,787,311	5,903,058	6,021,119	6,141,541
Materials and Supplies	4,035,478	3,371,597	3,439,029	3,507,810	3,577,966	3,649,525	3,722,516
Purchased Transportation Services	23,661,859	25,053,458	25,805,062	26,579,214	27,376,590	28,197,888	29,043,824
Other Operating Expenses	3,400,815	3,620,212	3,692,616	3,766,469	3,841,798	3,918,634	3,997,007
<b>NON-OPERATING EXPENSES</b>							
Interest Expense	215,520	171,811	151,102	130,108	108,779	87,166	65,253
Other Non-Operating Expenses							
<b>TOTAL EXPENSES</b>	<b>\$50,182,453</b>	<b>\$51,896,141</b>	<b>\$53,470,364</b>	<b>\$55,095,019</b>	<b>\$56,771,795</b>	<b>\$58,502,445</b>	<b>\$60,354,031</b>
<b>NET INCOME</b>	<b>\$13,882,872</b>	<b>\$8,018,186</b>	<b>\$7,645,325</b>	<b>\$7,247,945</b>	<b>\$6,824,948</b>	<b>\$6,375,194</b>	<b>\$5,832,243</b>
<b>CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>							
Reserve for Fleet Replacement (TAM) - Bus	1,600,000	1,800,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Professional Services / Technology Improvements	3,635,000	5,958,000	2,053,000	0	125,000	0	0
Reserve for Major Maintenance Items (TAM) - Rail	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Major Maintenance Items - Rail	2,368,780	3,130,608	5,859,000	5,488,000	5,660,000	7,324,000	5,359,000
Capital Improvement Items - Rail		500,000	300,000	650,000		500,000	0
Capital Improvement Items - Bus & Bus Ops Projects	339,783		105,000	70,000	0	0	0
Fleet Purchase -Bus/Rail		2,040,000	603,000	8,999,000	3,291,000	3,356,000	3,424,000
Positive Train Control	3,396,274	2,500,000	0	0	0	0	0
Infrastructure Acquisition - Old Town Transit Oriented Development	634,981	1,200,000	3,300,000	3,852,250	0	0	0
Brownfield Remediation	0	0	0	0	0	0	0
Joint Rail Operations Facility (JROF)	11,499,959	0	0	0	0	0	0
Transportation Reinvestment Program (TRiP)	10,429,152	5,967,642	7,260,945	4,834,611	4,435,572	2,758,603	2,390,064
<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>	<b>\$35,703,929</b>	<b>\$24,896,250</b>	<b>\$23,280,945</b>	<b>\$27,693,861</b>	<b>\$17,311,572</b>	<b>\$17,738,603</b>	<b>\$14,973,064</b>
<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MNTN, LESS TAM RESERVES</b>	<b>\$32,303,929</b>	<b>\$21,296,250</b>	<b>\$19,480,945</b>	<b>\$23,893,861</b>	<b>\$13,511,572</b>	<b>\$13,938,603</b>	<b>\$11,173,064</b>
<b>TOTAL CAPITAL MAINTENANCE &amp; OPERATING EXPENSES</b>	<b>\$85,886,382</b>	<b>\$76,792,391</b>	<b>\$76,751,309</b>	<b>\$82,788,879</b>	<b>\$74,083,367</b>	<b>\$76,241,048</b>	<b>\$75,327,095</b>

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 adopted for FY24 and proposed for the upcoming years. The financial plan for DCTA reflects a conservative and stable budget. 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 3.3% 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.

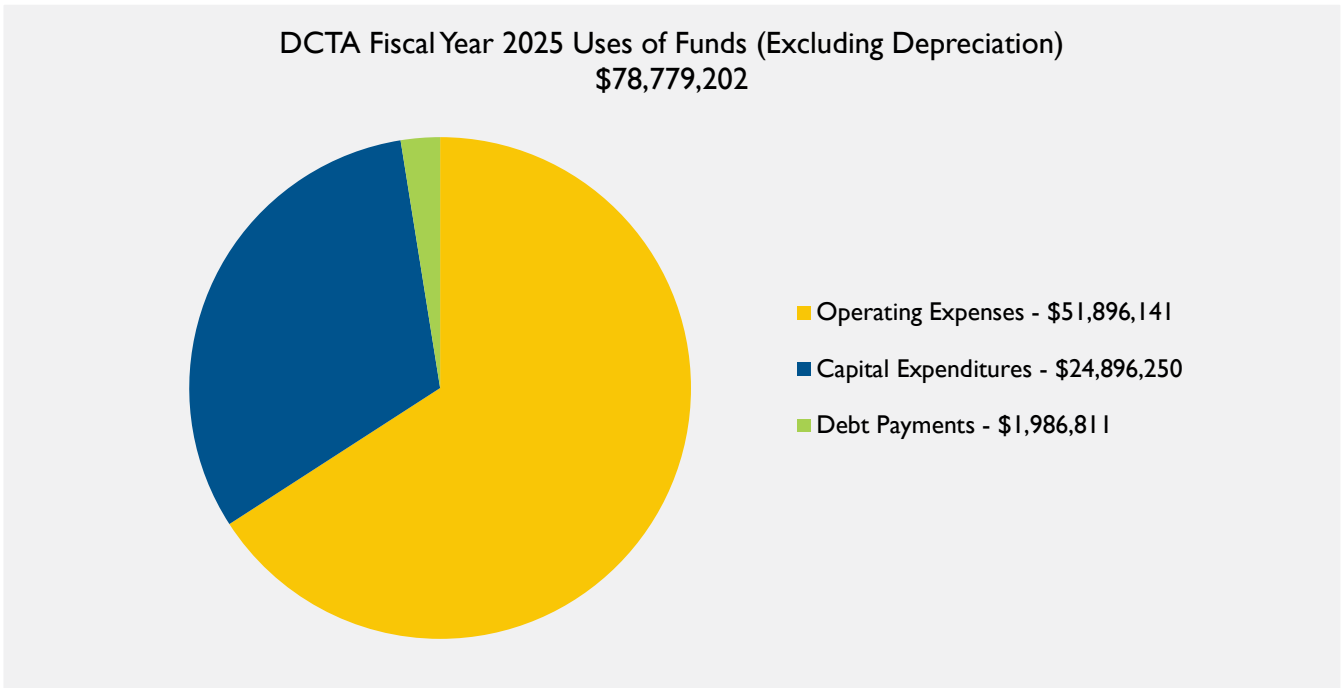
	Adopted FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030
<b>CAPITAL SOURCES</b>							
Capital Grants - Programmed	1,618,048	4,319,818	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000
Capital Grants - Discretionary				7,199,200	2,632,800	2,684,800	2,739,200
Capital Grants - Old Town	634,981	0	0	0	0	0	0
Use of Capital Reserves	0	2,040,000	603,000	1,799,800	658,200	671,200	684,800
Capital Reimbursement - DART JROF	10,003,458	0	0	0	0	0	0
<b>TOTAL CAPITAL SOURCES</b>	<b>\$12,256,487</b>	<b>\$6,359,818</b>	<b>\$1,623,000</b>	<b>\$10,019,000</b>	<b>\$4,311,000</b>	<b>\$4,376,000</b>	<b>\$4,444,000</b>
<b>DEBT SERVICE</b>							
2020 Series Refunding Bonds	967,467	948,755	930,142	916,628	898,163	874,798	861,581
2021 Series Refunding Bonds	1,024,832	1,038,056	1,055,960	1,073,480	1,090,616	1,112,368	1,128,672
<b>TOTAL DEBT SERVICE</b>	<b>\$1,992,299</b>	<b>\$1,986,811</b>	<b>\$1,986,102</b>	<b>\$1,990,108</b>	<b>\$1,988,779</b>	<b>\$1,987,166</b>	<b>\$1,990,253</b>
Internal Debt Service Coverage:	7	4	4	4	3	3	3
Outstanding Bond Principal as of September 30th Audit Adjustment	15,225,000	13,410,000	11,575,000	9,715,000	7,835,000	5,935,000	4,010,000
<b>ENDING FUND BALANCE</b>	<b>\$83,097,819</b>	<b>\$74,192,763</b>	<b>\$61,994,042</b>	<b>\$53,377,019</b>	<b>\$49,012,617</b>	<b>\$43,838,042</b>	<b>\$40,950,968</b>
Less Required Fund Balance (O&M Reserve Policy)	12,545,613	12,974,035	13,367,591	13,773,755	14,192,949	14,625,611	15,088,508
Less Sales Tax Stabilization Fund	1,200,000	1,230,000	1,254,600	1,279,692	1,305,286	1,331,392	1,358,019
Less Fuel Stabilization Fund	249,329	249,329	249,329	249,329	249,329	249,329	249,329
Less Capital/Infrastructure Fund	0	0	0	0	0	0	0
<b>NET AVAILABLE FUND BALANCE</b>	<b>\$69,102,877</b>	<b>\$59,739,399</b>	<b>\$47,122,522</b>	<b>\$38,074,243</b>	<b>\$33,265,053</b>	<b>\$27,631,710</b>	<b>\$24,255,112</b>
<b>RESERVES FOR CAPITAL PROJECTS (cumulative total)</b>	<b>\$3,400,000</b>	<b>\$7,000,000</b>	<b>\$8,760,000</b>	<b>\$11,957,000</b>	<b>\$13,957,200</b>	<b>\$17,099,000</b>	<b>\$20,227,800</b>
Use of Capital Reserve Funds	0	-2,040,000	-603,000	-1,799,800	-658,200	-671,200	-684,800
<b>CAPITAL RESERVE BALANCE</b>	<b>\$3,400,000</b>	<b>\$4,960,000</b>	<b>\$8,157,000</b>	<b>\$10,157,200</b>	<b>\$13,299,000</b>	<b>\$16,427,800</b>	<b>\$19,543,000</b>



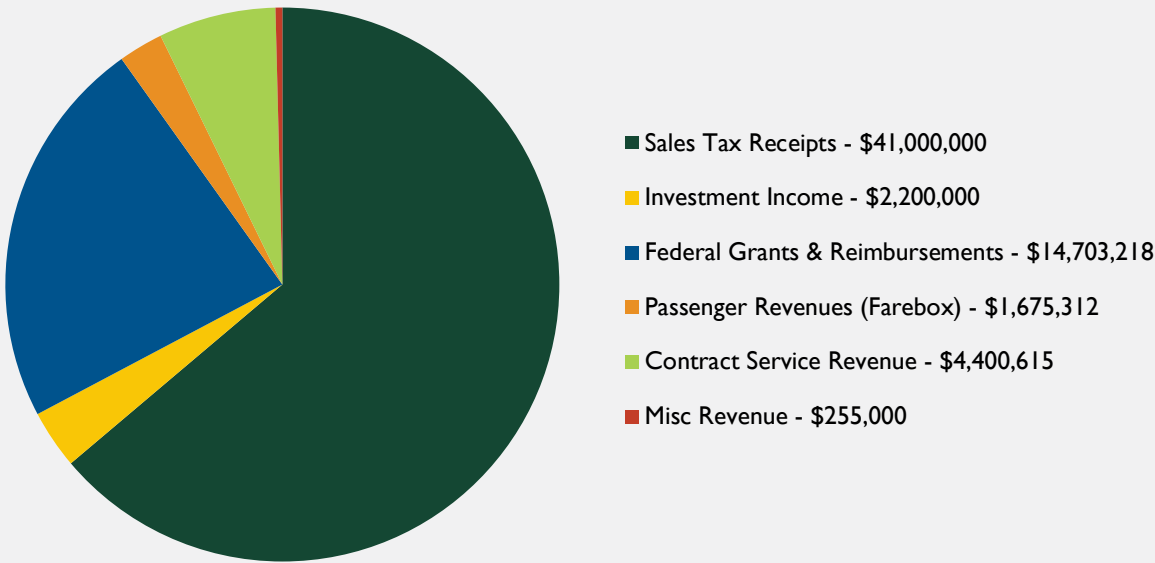


**Sources and Uses of Funds**

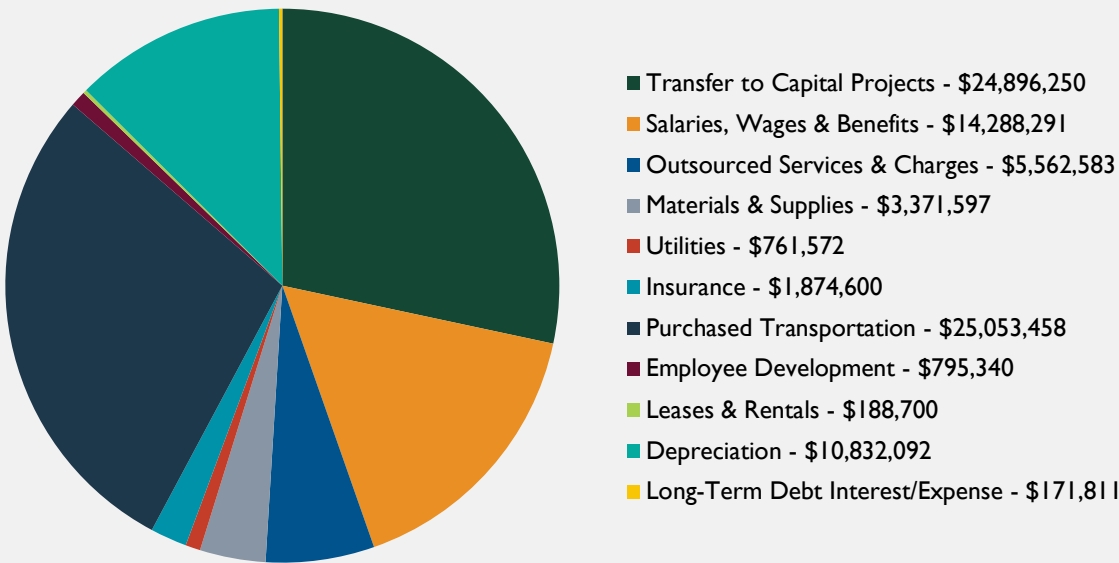
The FY25 budget anticipates a decrease in Contract Service Revenue to more align with actual revenue. DCTA no longer has the Trinity Metro Alliance service, but added Collin County Rides in FY24. There is an expected increase in ridership largely due to the UNT contract, but also tied to Mobility as a Service (MaaS) which is the Coppel Contract Service.



DCTA Fiscal Year 2025 Total Revenue  
\$64,234,145



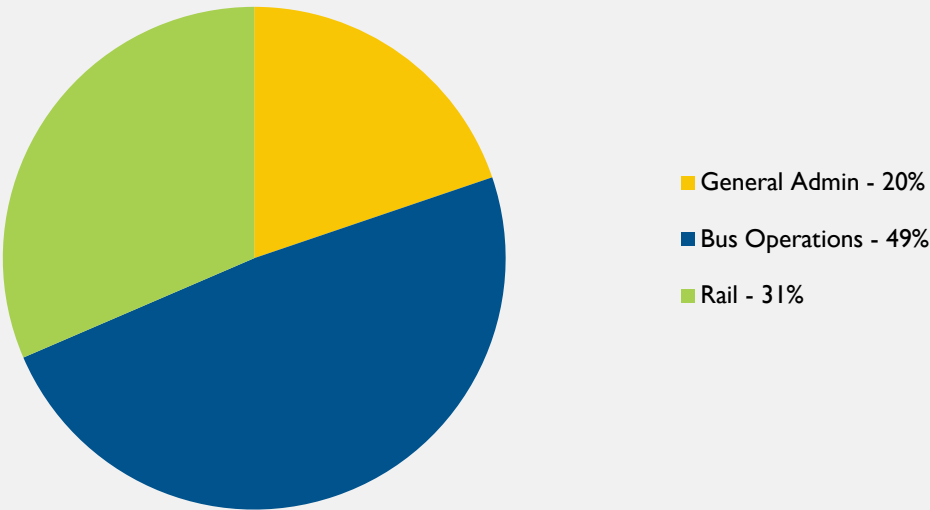
DCTA Fiscal Year 2025 Total Expenditures  
\$87,796,294



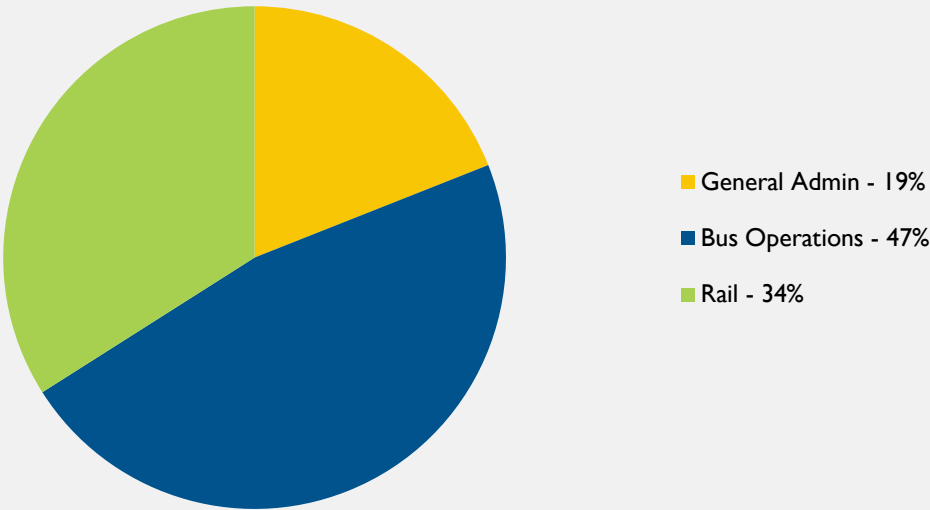
## Operating Expenses by Division and Department

	FY 2023 Actuals	FY 2024 Adopted Budget	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>General and Administrative</b>				
President/CEO	\$667,463	\$869,523	\$939,523	\$1,110,670
Administration	312,921	359,482	364,982	298,320
Board of Directors	38,560	34,675	22,675	61,975
Finance	986,749	2,048,466	2,048,466	1,751,232
Strategic Planning & Development	1,058,725	1,854,813	1,854,813	2,506,637
Marketing Communications	836,949	1,593,982	1,572,226	1,011,589
Customer Service	11	187,410	172,437	0
Human Resources	260,177	533,691	560,683	988,575
Information Technology	842,223	1,235,524	1,235,524	1,806,312
Procurement & Compliance	508,473	322,366	320,366	404,210
Non-Departmental	345,473	258,024	205,524	330,000
<b>Total General &amp; Administrative</b>	<b>\$5,857,724</b>	<b>\$9,297,956</b>	<b>\$9,297,219</b>	<b>\$10,269,520</b>
<b>Rail Operations</b>				
<b>Total Rail Operations</b>	<b>\$16,744,610</b>	<b>\$17,151,305</b>	<b>\$17,088,999</b>	<b>\$16,331,354</b>
<b>Bus Operations</b>				
Includes DCTA operating expenses & the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.				
Bus Service Administration	\$854,955	\$1,314,104	\$1,362,929	\$2,350,087
Mobility Services	592,053	1,317,051	1,475,198	-
Fixed Route Services	1,193,833	4,500,958	4,375,512	4,981,906
UNT Contract Services	2,071,755	-	-	-
Demand Response Services	892,321	983,169	980,657	1,038,450
Go Zone	9,795,051	10,569,999	10,569,999	11,699,652
North Texas Xpress	110,142	-	-	-
Frisco Contract Service	227,994	-	-	-
Collin County Rides (CCR)	-	-	532,795	454,353
Mobility as a Service (MaaS)	967,900	1,227,000	2,097,000	780,685
Customer Service (DDTC)	635,249	620,275	634,461	621,547
Supervisors & Dispatch	561,993	666,799	666,760	810,528
Maintenance	1,715,377	1,763,481	1,821,584	1,847,658
Non-Departmental	183,720	770,356	770,356	710,401
<b>Total Bus Operations</b>	<b>\$19,802,343</b>	<b>\$23,733,192</b>	<b>\$25,287,251</b>	<b>\$25,295,267</b>
<b>Total Depreciation</b>	<b>\$9,074,611</b>	<b>\$11,099,129</b>	<b>\$11,099,129</b>	<b>\$10,832,092</b>
<b>Total Operating Expenses + Transfers Out</b>	<b>\$51,479,288</b>	<b>\$61,281,582</b>	<b>\$62,772,598</b>	<b>\$62,728,233</b>

Fiscal Year 2025 Operating Expense by Division

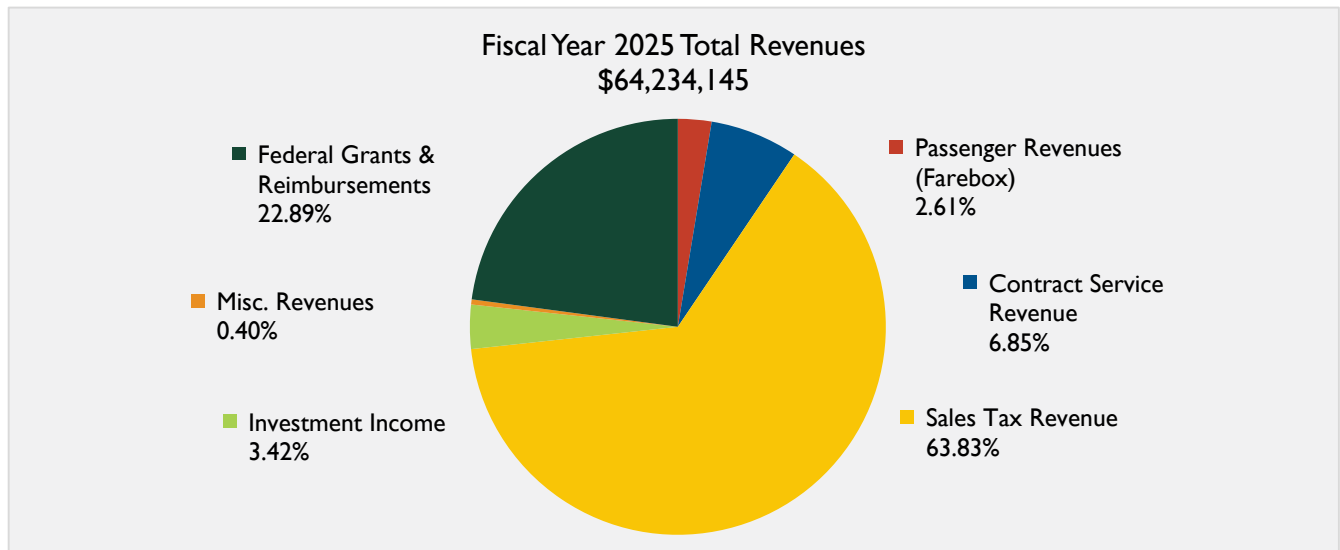
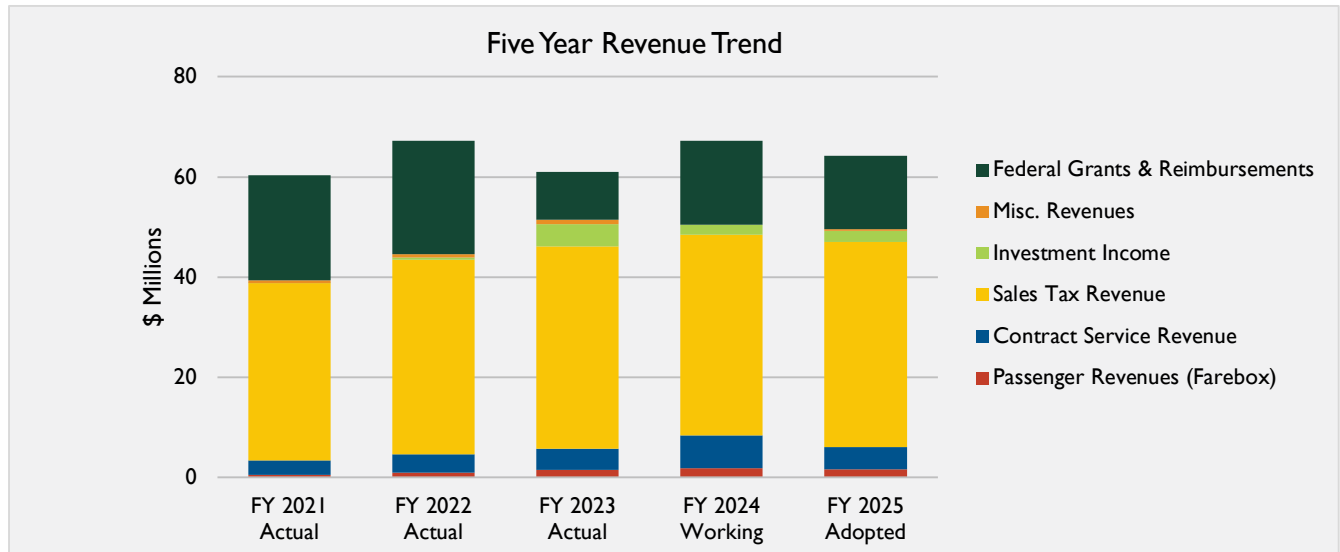


Fiscal Year 2024 Operating Expense by Division



## Revenue Sources - Five Year Trend

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>REVENUE SOURCE</b>					
Passenger Revenues (Farebox)	\$548,078	\$933,776	\$1,569,770	\$1,817,942	\$1,675,312
Contract Service Revenue	2,923,277	3,721,321	4,233,303	6,606,086	4,400,615
Sales Tax Revenue	35,332,154	38,808,188	40,320,771	40,000,000	41,000,000
Investment Income	31,178	462,425	4,434,145	2,000,000	2,200,000
Misc. Revenues	502,552	681,289	909,745	0	255,000
Federal Grants & Reimbursements	20,969,469	22,564,212	9,490,562	16,826,328	14,703,218
State Grants & Reimbursements	73,895	55	1,011	338,400	0
<b>TOTAL REVENUES</b>	<b>\$60,380,603</b>	<b>\$67,171,266</b>	<b>\$60,959,308</b>	<b>\$67,588,756</b>	<b>\$64,234,145</b>



### Budget Assumptions

The focus for the FY25 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 2025 budget and are outlined in more detail in the following pages:

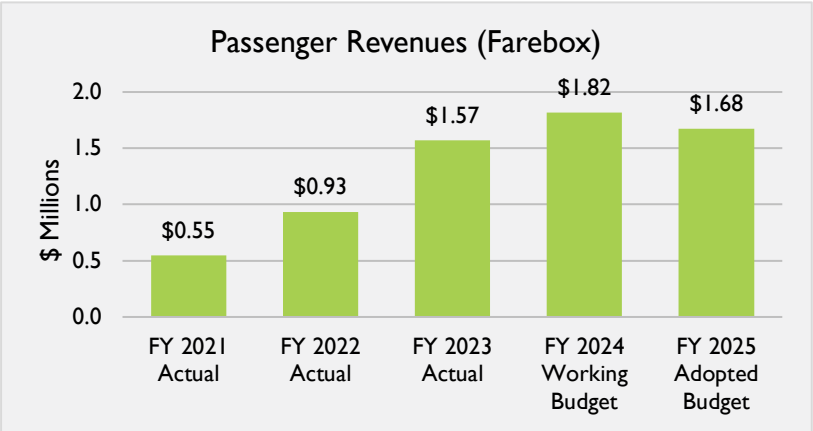
- Slight increase in sales tax revenue
- Increase in passenger revenues
- Increase in GoZone on-demand service
- Streamlined Connect service with higher frequencies
- More accurately identify projects and draw downs for federal grant funding

### 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.

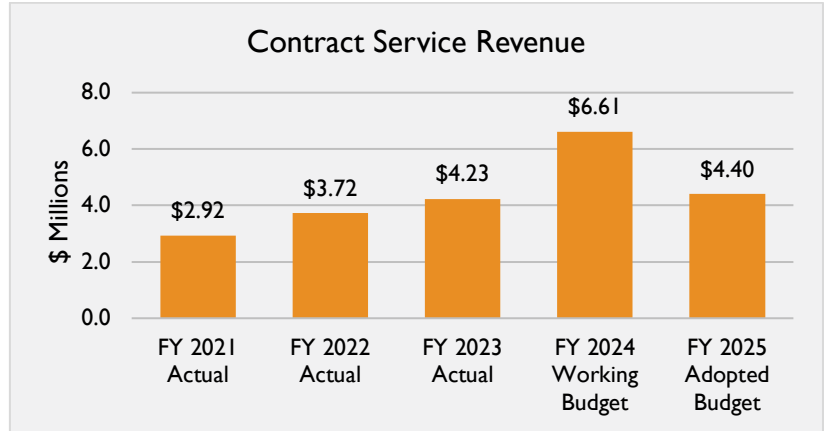
Passenger revenues consist of farebox collections and ticket sales for the DCTA bus and paratransit services, GoZone on-demand as well as rail farebox revenue. The current forecast in the Long-Range Financial Plan is conservative, with ridership increasing annually by 1% in the following years and passenger 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 \$1.7M for FY25 which is a slight decrease to FY24 working budget. GoZone ridership is planned to increase resulting in a 9% increase in revenue there. And, rail passenger fares is estimated to have a 6.5% increase. FY24 introduced Collin County Rides but removed Trinity Metro Alliance service.





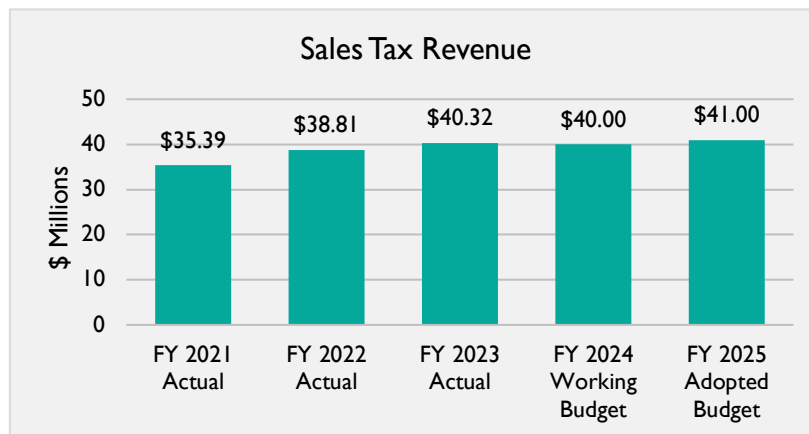
Contract service revenue consists of revenue or income related to providing transit services to UNT, Frisco, and Coppell. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components. The FY25 budget reflects a 33% decrease to the FY24 working budget and is based on current contract rates for each service. Contract Service Revenue was budgeted to more tightly align with actuals.



## Sales Tax Revenue

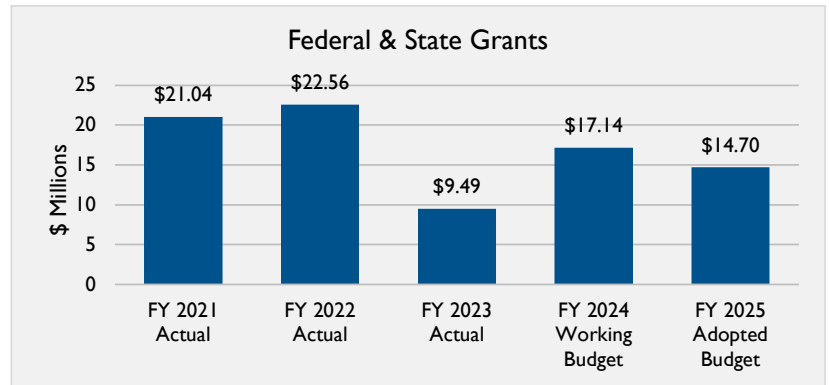
Sales tax represents the single largest source of revenue for DCTA at 65% for the Fiscal Year 2025 budget. With the ever-changing economy, it has always been the philosophy of staff and the Board to budget sales tax conservatively. In addition, the changing landscape with consumers migrating to on-line 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 FY25 budget year is fairly level to the sales tax budget for FY24. 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 2025 fiscal year (FY24), DCTA has budgeted \$14.7 million in federal grant revenue. It is essential to note that all grant funds are received through a reimbursement process, with draw down 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.

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 FY25, the budget allocates \$4.3 million specifically for capital grants.

	FY25 Operating Expense	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
<b>Operating Assistance</b>					
FY2021 Sec 5307	\$9,095,405	50%	\$4,547,703	50%	\$4,547,703
<b>ADA Operating Assistance</b>					
FY2021 Sec 5307	588,877	0%	0	100%	588,877
<b>Bus Preventive Maintenance</b>					
FY2021 Sec 5307	1,195,061	0%	0	100%	1,195,061
FY2022 Sec 5339	41,000	20%	8,200	80%	32,800
FY 2022 STBG	91,807	20%	18,361	80%	73,446
<b>Rail Preventive Maintenance (Fixed Guideway)</b>					
FY2022 Sec 5337	3,130,608	0%	0	100%	3,130,608
<b>Vanpool</b>					
FY23 Sec 5307	624,000	20%	124,800	80%	499,200
<b>Collin County Rides</b>					
FY2021 ARP Sec 5310	87,705	0%	0	100%	87,705
	228,000	0%		75%	228,000
<b>Total Operating Expenses &amp; Associated Grants</b>	<b>\$15,082,463</b>		<b>\$4,699,064</b>		<b>\$10,383,400</b>

	FY25 Capital Proj- ect Expenditure	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
<b>Capital Projects &amp; Associated Grants</b>					
Positive Train Control (Phase 2)	\$2,500,000	20%	\$500,000	80%	\$2,000,000
<b>Infrastructure Acquisition</b>					
CMAQ Funds	\$1,200,000	0%	\$0	100%	\$1,200,000
<b>Fleet Purchase - Bus</b>					
FY2021 Sec 5339	\$2,040,000	20%	\$0	80%	\$581,520
<b>Electronic Safety &amp; Security Program</b>					
FY2020 Sec 5339	\$1,545,000	20%	\$134,575	80%	\$538,298
<b>Total Capital Projects &amp; Associated Grants</b>	<b>\$7,285,000</b>		<b>\$634,575</b>		<b>\$4,319,818</b>

## Investment Income

Investment income has shown a significant increase again in FY24 actuals. This was not budgeted in FY23, but was invested during the fiscal year. That year DCTA Finance team invested funds according to a board-approved investment policy. The result was a significant amount of revenue during the fiscal year. In keeping with this investment approach, the FY25 budget includes a conservative budget projection for the 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.

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.

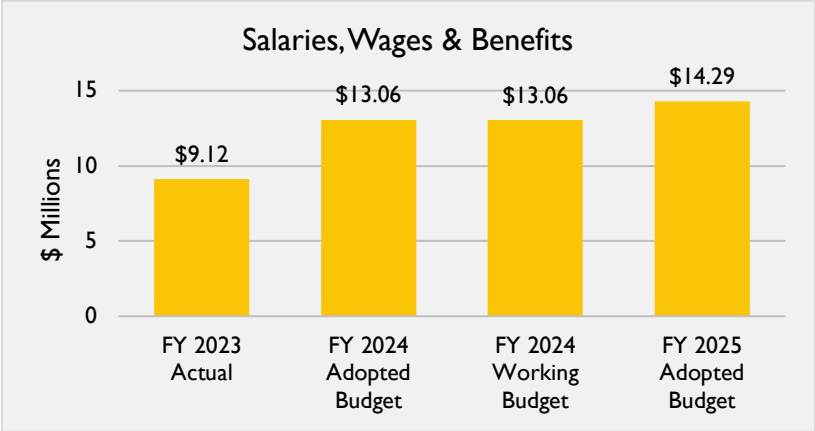
Salary, Wages and Benefits

This expense category includes DCTA payroll, employer taxes, health insurance premiums, and related benefits. The FY25 budget reflects an 9% increase compared to the FY24 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 FY25 budget includes five new positions: Service Design and Performance Manager, Project Controls Specialist, Human Resource Manager, and two additional Operations Supervisors. Total DCTA staff inclusive of former NTMC positions is now 142 for DCTA. Please refer to the Full-Time Equivalent Comparison Schedule for a more detailed breakdown.

This budget incorporates an 11.6% increase in medical and 7% increase in dental health care benefits. This is based on analysis of employee health benefits and projections of anticipated increases in the cost of health care.

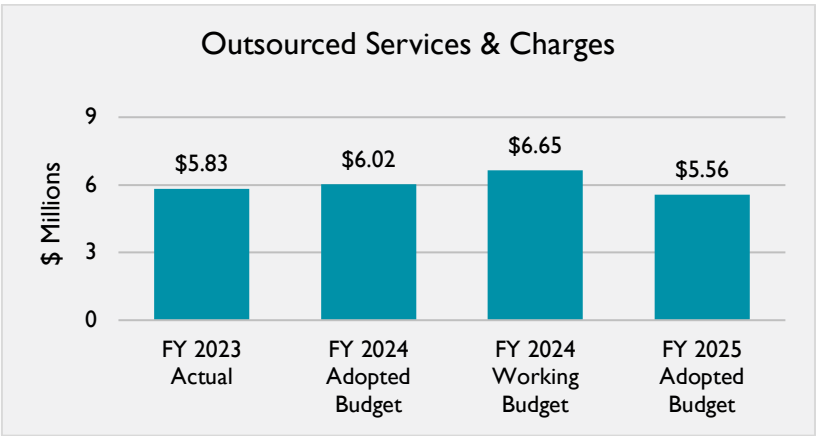


The FY25 budget also incorporates up to a 5% merit pay increase across the agency that is awarded based on employee performance. The Financial Management Policies direct the agency to conduct a compensation study every three years to ensure that DCTA maintains a competitive position in the market, with 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 FY25, Outsourced Services & Charges represent \$5.6M. Many of these are one time expenses which are made up of the following projects:



- 1. **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 \$300K. This is a roll-over from FY24.
- 2. **Strategic Planning: A-train Program Funding Support**  
DCTA is in process of procuring a program management consultant to provide the following: support for interim speed enhancements in an effort to achieve 25-min headways, preliminary engineering and cost estimating for the A-train enhancement program, support for FTA CIG grant funding process, construction services support, and ongoing coordination support with member cities and other stakeholders. The budget impact is estimated at \$400K.

**3. Strategic Planning: Bus Stop Standards Development**

This project will coordinate with member cities to evaluate existing and future transportation networks, land uses, and development practices; evaluate demographics and neighborhood characteristics to identify the most appropriate bus stop spacing, safety enhancements (ADA connectivity, pedestrian crossings, bus pull-outs), and thresholds for various types of amenities (i.e., pole and ADA pad, bench, shelter, trash can, lighting, etc.); And identify best practices from similar-sized agencies. The final product will be a technical document that develops bus stop design standards along existing and future DCTA bus routes. This project is an effort to address outdated design standards that affect rider experience and use of transit services. Previous standards were last updated in 2012 and are lacking in detail. The budget impact is estimated at \$100K.

**4. Strategic Planning: Intermediate Service Plan**

This project will develop near term options to enable increased ridership, enhanced safety and service with data analytics, modeling, and simulations to help Board staff make data driven decisions to provide the right transit solutions at the appropriate time. Consultant support is needed to develop data analytics, modeling, and simulations to help Board staff make data driven decisions on service deployment. The budget impact is estimated at \$100K.

**5. Enhanced Marketing and Advertising:**

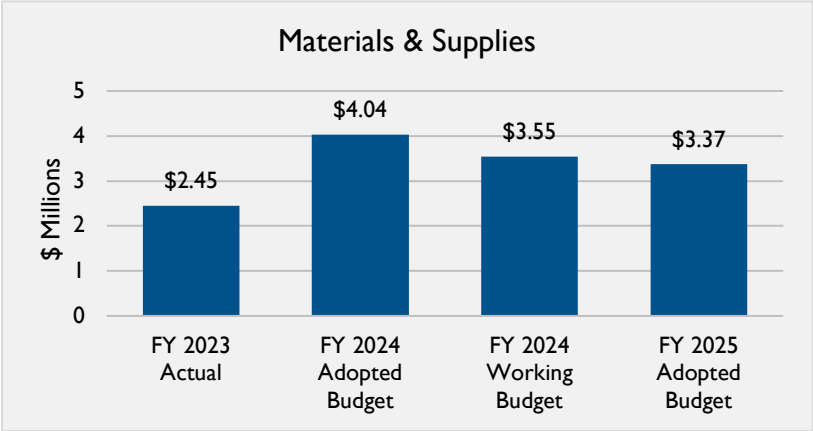
Following an internal review, DCTA proposed a shift in strategy in FY2024 regarding resources allocated to the agency's marketing and communications function. The new strategy includes hiring a third-party, external marketing firm to help the agency develop and implement an annual marketing strategy that revolves around specific messaging campaigns, community engagement, and driving measurable performance outcomes. Therefore, the budget in FY2025 includes approximately \$340K, rolled over from FY2024, to enable the hiring of an external marketing firm as well as resourcing paid advertisements in accordance with the strategy. This budget item was accompanied by a reduction in staff positions assigned to marketing and communications in the FY2025 budget.

**6. Facilities Maintenance Projects**

Various project to enhance DCTA properties or safety at the building were approved by the Board of Directors. A few key projects are:

- Redesign of DDTC Bike/Pedestrian Lanes - to prevent mixing of traffic for buses, bikes, and pedestrians.
- Climate Zone System - re-align air distribution for more efficient operations at bus facility
- Bus Wash Repairs - proper and timely maintenance is needed to upkeep the bus wash to keep fleet clean and up to standards for a positive image.
- Bus Stop Sign Installation - replace worn, damaged, or removed bus stop signs
- Resurface porch entrance at Downtown Denton Transit Center - need to resurface the entrance so it is safe in all weather conditions.
- Bollards for Gas Supply - protection to be installed around gas tanks.





**Materials & Supplies**

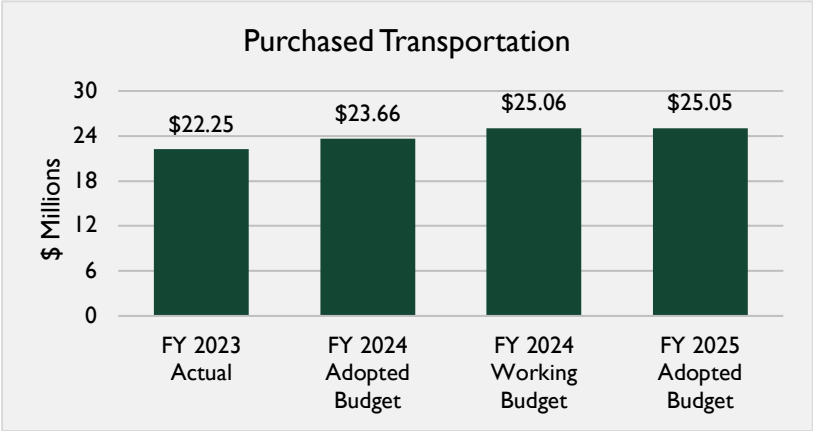
This expense category includes fuel, parts, and lubricants for operations, as well as, office supplies, non-capital expenses for furniture and computers, and similar expenses. In FY25, Materials & Supplies represents \$3.4M. One of the drivers in this category is fuel. Fuel is budgeted at \$4.50/gallon for rail, and \$3.50/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 FY24.

**Utilities**

This expense category includes gas, electric and communication expenses. The FY25 budget is \$761K. 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 8.8% increase to FY24. The insurance is budgeted against the premium's actuals instead of estimates in order 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 for shared services for the maintenance of the 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 FY25 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 serves the Frisco Contract and show under Demand Response/Directly Operated (DR-DO) account.

In 2019, DCTA expanded its transit offerings with its Mobility-as-a-Service (MaaS) contract model becoming a “broker of services” to provide customized mobility solutions for various communities. The contract model provided DCTA with an innovative toolbox of mobility solutions. Currently the MaaS contract is applied to Frisco, Coppell, Allen, Fairview, and Vanpool.

Vanpool service has increased by \$42K in FY25 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 FY25, this contract increased purchased transportation by \$888K compared to FY24.

### **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 all DCTA 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 FY25 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 FY25 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
<b>Total</b>	<b>\$12,930,000</b>	<b>\$795,037</b>	<b>\$13,725,037</b>

## 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.

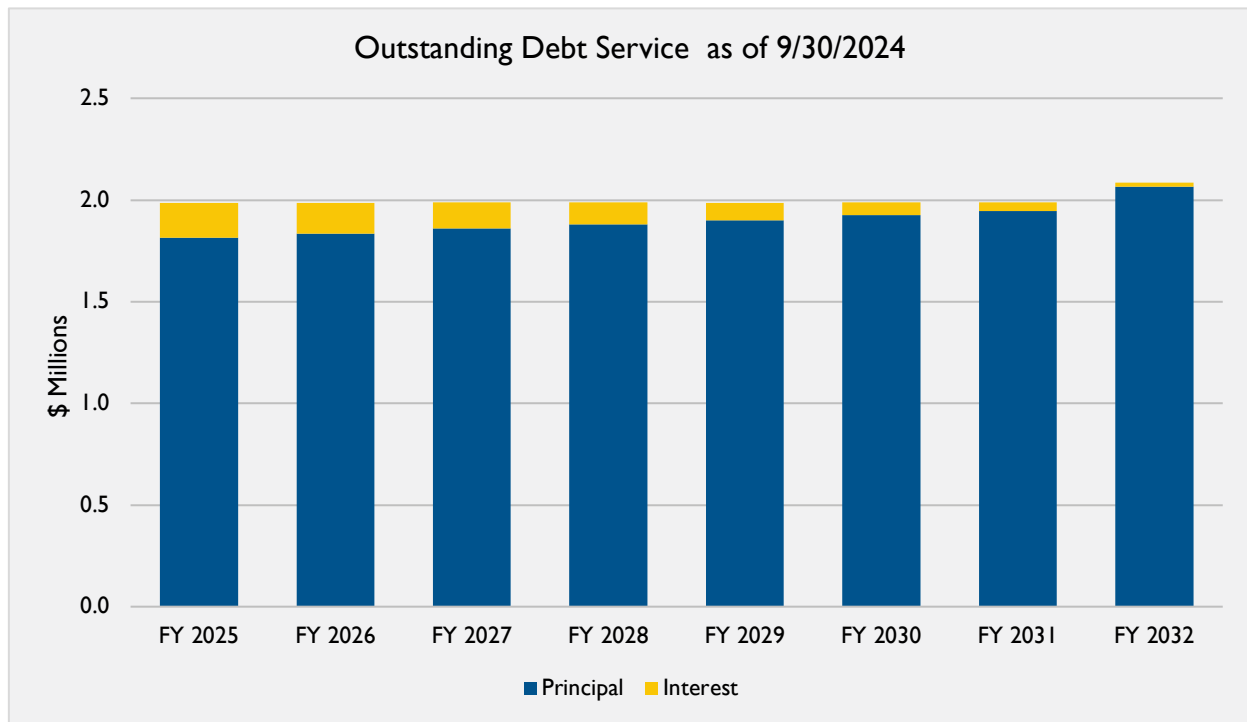
### SECURITY

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
<b>Total</b>	<b>\$9,940,000</b>	<b>\$726,667</b>	<b>\$10,666,667</b>

## Outstanding Debt Schedule Table as of 9/30/2024

Fiscal Year	Principal	Interest	Total
FY 2025	\$1,815,000	\$171,811	\$1,986,811
FY 2026	1,835,000	151,102	1,986,102
FY 2027	1,860,000	130,108	1,990,108
FY 2028	1,880,000	108,779	1,988,779
FY 2029	1,900,000	87,166	1,987,166
FY 2030	1,925,000	65,253	1,990,253
FY 2031	1,945,000	43,005	1,988,005
FY 2032	2,065,000	20,444	2,085,444
<b>TOTAL</b>	<b>\$15,225,000</b>	<b>\$777,668</b>	<b>\$16,002,668</b>





## Full Time Equivalent (FTE) Comparison

	FY 2023 Working Budget	FY 2024 Working Budget	FY 2025 Adopted Budget	Variance
<b>GENERAL &amp; ADMINISTRATIVE DIVISION</b>				
President/CEO Department	1.00	2.00	3.00	1.00
Administration Department	2.00	0.00	0.00	0.00
Finance Department	7.00	9.00	9.00	0.00
Strategic Planning & Development Department	2.50	4.00	11.00	7.00
Marketing & Communications Department	5.00	5.00	3.00	(2.00)
Customer Service Department	0.00	1.00	0.00	(1.00)
Human Resources Department	3.00	3.00	5.00	2.00
Innovation & Technology Department	3.50	6.00	6.00	0.00
Procurement & Compliance Department	6.60	3.00	3.00	0.00
<b>BUS &amp; MOBILITY SERVICES DIVISION</b>				
Collin County Rides	0.00	1.00	1.00	0.00
Bus Administration	0.00	0.00	4.50	4.50
Mobility Services Department	6.70	8.00	0.00	(8.00)
Go Zone	0.00	0.00	1.25	1.25
Customer Service	0.00	0.00	0.00	0.00
<b>BUS OPERATIONS - FORMER NTMC</b>				
Operations - Admin	0.00	0.00	6.00	6.00
On Demand	0.00	0.00	10.00	10.00
Fixed Route/Directly Operated (FR/DO)	0.00	0.00	52.50	52.50
Operations - Customer Service	0.00	0.00	7.00	7.00
Operations - Supervisors & Dispatch	0.00	0.00	8.00	8.00
Operations - Operations Maintenance	0.00	0.00	11.00	11.00
<b>RAIL OPERATIONS DIVISION</b>				
Rail Operations Department	3.70	2.00	1.25	(0.75)
<b>Total DCTA FTE Staff</b>	<b>41.00</b>	<b>44.00</b>	<b>142.50</b>	<b>98.50</b>
<b>THIRD PARTY CONTRACT OPERATIONS</b>				
Bus Administration Department	3.00	0.00	4.50	4.50
Customer Service Department	8.00	7.00	0.00	(7.00)
Supervisors/Dispatchers Department	19.00	9.00	0.00	(9.00)
Maintenance Department	15.00	15.00	0.00	(15.00)
Bus Operators	62.00	60.00	0.00	(60.00)
<b>CONTRACTED BUS SERVICES (NTMC)*</b>	<b>107.00</b>	<b>91.00</b>	<b>4.50</b>	<b>(86.50)</b>
<b>CONTRACTED RAIL SERVICES (FIRST TRANSIT + SUBCONTRACTORS)</b>	<b>49.00</b>	<b>49.00</b>	<b>49.00</b>	<b>0.00</b>
<b>Total Third Party Contract Operations</b>	<b>156.00</b>	<b>140.00</b>	<b>53.50</b>	<b>(86.50)</b>

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

In the FY 2025 Adopted Budget, the former NTMC employees are now reflected under the Bus Operations Department. Additional staffing changes can be seen in the tables in the "Division Budgets" section as well.

# Division Budgets



Operating &  
Capital Budget

2025



## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$361,044	\$491,129	\$631,680
Outsourced Services & Charges	263,314	341,404	383,600
Materials & Supplies	152	20,300	16,200
Utilities	-	-	-
Insurance	-	-	-
Employee Development	81,514	109,365	141,165
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$706,024</b>	<b>\$962,198</b>	<b>\$1,172,645</b>
<b>Staffing</b>			
CEO	1.00	1.00	1.00
Executive Assistant/Board Manager	-	1.00	1.00
Senior Manager Safety	-	-	1.00
<b>Total</b>	<b>1.00</b>	<b>2.00</b>	<b>3.00</b>

### Staffing Changes FY24 to FY25

- Senior Manager Safety was formerly under the Finance and now under the CEO/Board of Directors department

## Office of CEO & Board of Directors

Looking Ahead

FY25 Objectives & Performance Measures

- **Develop and deliver transportation offerings that meet the expectations of Denton County and Member City stakeholders.**
  - Publish public-facing safety, service & ridership dashboards. Outline & progress repository of internal data visualization dashboards.
  - Lead Board to decision and implement Intermediate Service Plan (ISP) Phase II (remove GoZone O/D bookings from Connect 3, 6, 7 and Top 5 UNT Routes).
  - Conduct strategic planning workshop to progress Top Strategic Initiatives: Long Range Service Plan scope of work, Old Town Lewisville TOD, Frisco / Allen / Fairview / Coppell / Span City Membership, New Member Policy, and A-train Enhancement Program.
  - Progress Long Range Service Plan with consultant selection, scope of work, and identification of 2035 Ridership Goal and market-based path to achievement.
  - Identify and progress opportunities to increase revenue through UNT Contract, TWU Relationship, Advertising Revenue, and others.
  - 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 Cities across Denton County and the Commissioners Court to understand opportunities to enhance value and continuously improve DCTA.
- **Provide exceptional customer service through the full cycle of transportation engagement – transaction, service delivery, feedback, and follow-up.**
  - Standup an insourced, single point of contact DCTA customer service function for all modes. Right-size contract for Via support.
  - Cast vision, gain alignment with Board, and progress Customer Experience initiative for improving customer interface with DCTA across the trip cycle: trip plan, fare purchase, meeting and boarding vehicle, reaching final destination.
  - Progress Bus Stop Infrastructure Planning and Design to enable implementation concurrent with ISP.
  - Implement agency Marketing and Communications plan to enhance the DCTA brand, illustrate value, and support ridership and revenue growth across Member Cities and Denton County. Hire third party firm and integrate efforts with DCTA staff to establish annual calendar of MARCOM programming and create road map for DCTA website improvement.

## Office of CEO & Board of Directors

Looking Ahead

FY25 Objectives & Performance Measures

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

- Progress A-train Enhancement Program with program management consultant selection, validation of study findings, and accomplish defined objectives such as increased 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.
- Finalize implementation of Finance module of Enterprise Resource Program and progress Human Resources Module.
- Implement next major service contracts at DCTA (Demand Response, Mobility as a Service, Rail Operations & Maintenance, etc.).
- Lead Board to adopt New Member and Contracted Services Policy revision and utilize it to progress opportunities in Frisco, Allen, Fairview, Coppell, Corinth, and Span of Denton County
- Progress Long Range Financial Planning process with recurring efforts to integrate robust facility, vehicle / equipment, and grant development planning mechanisms.
- Develop staff to ensure robust operating capability, continuity, and continuous improvement of DCTA operations. Identify core operating capabilities in each team, gaps, risks posed by staff structure, and risk mitigation strategies including talent acquisition and succession planning. Define and execute annual training and development program. Define career path alternatives for various positions among DCTA staff.

## Office of CEO & Board of Directors

Performance Measure Results

FY24 Progress Report

### **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.
  - Hired a VP of Planning and Development and Manager of Data Analytics. Began automating data flows from various modes and basic ridership reports.
- Lead Board to decision and implement Intermediate Service Plan (ISP) Phase I.
  - Established methodology to evaluate cost per passenger on GoZone and the Connect Network with a “passengers per network hour” metric.
  - Intermediate Service Plan Phase I implemented on August 19th.

## Office of CEO & Board of Directors

### Performance Measure Results

#### FY24 Progress Report

- Progress Bus Stop Infrastructure Planning and Design implementation ensuring it is concurrent with ISP.
  - Completed first phase of effort with Board briefing in November, identifying 18 new Connect stops needed to maximize GoZone rider capture on 3, 6, and 7.
- Implement cadence of annual strategic planning workshops with the Board and tie it to critical components of Long-Range Service Plan.
  - Led staff and consultants to deliver 1.5-day workshop in January 2024. Collaborated closely with the Board on agenda development to deliver program that enabled Board to focus on strategic priorities.
- Complete the approved DCTA staffing plan.
  - Began FY24 with 18 of 44 positions vacant and established completion of the hiring plan as number one priority to enable delivery of the FY24 Work Plan.
  - Filled all required positions by April. Two holdover positions either eliminated or reclassified based on emerging requirements. Represents 32% of authorized manpower.
- Led collaboration with NCTCOG in development of scope with extensive comment and conversation with Michael Morris and staff. Ensured final RFP reflected DCTA priorities.
  - Provide leadership to regional collaboration among transit communities 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.
  - Maintained relationships, open lines of communication, and transparency with Member Cities with Council briefings to illustrate agency performance.

#### **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.
  - Aligned six Board-adopted Core Values (safety, community, innovation, accessibility, stewardship, prosperity) into a core values framework of Safety, Service and Ridership. Enables DCTA to demonstrate that we live our Core Values by delivering measurable results.
- Stand up an insourced, single point of contact DCTA customer service function for all modes.
  - Led data collection and illustration of overall customer service performance metrics for FY2023 to establish baseline of performance and staffing.
  - Hired new Customer Service Manager and, upon NTMC transition to DCTA, evaluated existing customer service staff, issued standards, accountability and discipline, and in hiring process to backfill positions.
  - Stood up Spare Labs automated dispatching platform.
- Identify and simplify DCTA Pass and Fare structure and technology interface and integrate with regional partners.
  - This goal was deferred until the conclusion of Regional Transit 2.0.



## Office of CEO & Board of Directors

### Performance Measure Results

#### FY24 Progress Report

- Identify and drive efficiencies for NTMC through the collective bargaining process and enhance its alignment with DCTA.
  - Identified and captured opportunity to directly hire bus operators
  - Assembled outside legal expertise, cast vision, and led transition process to create unified organization structure and levels all employees with same benefits.
- Implement agency Marketing and Communications plan to enhance the DCTA brand, value, ridership and revenue growth across Denton County and member cities.
  - Established standard monthly reporting and identifying Key Performance Indicators to more closely track Social Media Performance
  - Completed first “rider story” of TWU professor using the A-train. Sets template and standard for stories to follow and launched the “Train Yourself” campaign to drive awareness of the A-train.
  - Identified staff deficiencies and changed course with outsourced marketing firm to drive results. Successful new approach led to RFP for long-term, external marketing strategic and creative support.

### **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)
  - This project was canceled due to DART's decision to construct the maintenance facility in Plano.
  - Re-worked ILA with DART to reflect joint agency support for the A-train enhancement program.
- Progress Board's preferred alternative on A-train investment to increase frequency, extension to Downtown Carrollton, and / or addition of a station at Corinth.
  - Brought clarity to multiple variables affecting implementation of the A-train enhancement program. Identified decision points affecting design (JROF go / no go decision, Corinth Station decision, headways decision, increased hours of service) and aligned with Board on approach.
  - Scoped and launched procurement for Program Management consultant to enable initiation of the program.
- Progress the Board's preferred alternative on Transit-Oriented Development at Old Town Lewisville.
  - Completed design charrettes with Lewisville staff to identify preferred, market-based design alternative for Old-Town site. Gained feedback and alignment with City to remove multi-family components.
  - Established DCTA / City of Lewisville / DCTA Board Working Group and led Working Group to a preferred alternative for further concept development.
- Progress Enterprise Resource Program implementation.
  - Established collaborative approach to platform selection to maximize staff buy-in. Staff from across the organization participated in four full days of demonstrations across two platforms.

## Office of CEO & Board of Directors

### Performance Measure Results

#### FY24 Progress Report

- Contracts approved in February Board meeting and project is underway.
- Define next phase of major service contracts for Mobility as a Service, Rail Operations & Maintenance, etc.
  - Consolidated disparate, one-off contracted services agreements into a cohesive, programmatic view.
  - Synchronized mobility services contracts and task orders for contracted services portfolio in September 2023 Board meeting, enabling clarity on conversation of contracted services in the January Board meeting. Yielded Board direction to craft Contracted Services guidelines in the New Member Policy.
- Ensure bus fleet readiness by defining and progressing Bus Fleet heavy maintenance and replacement plan.
  - Developed vehicle replacement schedule by year to enable procurement of 2 – 3 new buses in FY2025.
  - Established bus operator workstation committee to gain operator feedback for new bus features.
- Enhance mobility as a service model with cost-effective, responsive service to non-member cities to increase DCTA value to the region while protecting member city resources and assets.
  - Implemented the Collin County Rides program with successful launch on February 1, 2024. Program delivering more than 40 rides per day with on-time performance exceeding 90%.
  - Outlined framework for re-structuring of the UNT service contract. Completed cost allocation methodology for bus service and GoZone and put UNT on formal notification of desire to rework the 2018 agreement to capture additional revenue for DCTA.
- 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.
  - Transition of Operations staff from NTMC to DCTA creates unified organization structure and levels all employees with same benefits.
  - Celebrated “Demolition Day” with staff at Old Town Lewisville TOD site, marking significant milestone in agency’s history as we prepare that project to move forward.

## Administration

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

	FY 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$72,171	\$66,934	\$0
Outsourced Services & Charges	47,036	64,200	44,760
Materials & Supplies	17,631	38,950	30,760
Utilities	43,179	48,410	50,950
Insurance	-	-	-
Employee Development	1,798	5,850	1,850
Leases & Rentals	131,105	140,638	170,000
Depreciation	55,521	66,626	103,529
<b>Total Department Budget</b>	<b>\$368,442</b>	<b>\$431,608</b>	<b>\$401,849</b>
<b>Staffing</b>			
Executive Assistant/Office Coordinator	1.00	-	-
Receptionist	1.00	1.00	-
<b>Total</b>	<b>2.00</b>	<b>1.00</b>	<b>0.00</b>

### Staffing Changes FY24 to FY25

- Receptionist position was reclassified to a Human Resources Technician that is in HR

## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$664,308	\$1,353,123	\$1,197,279
Outsourced Services & Charges	289,694	348,220	473,053
Materials & Supplies	196	1,700	4,500
Utilities	-	-	-
Insurance	15,829	16,523	23,500
Employee Development	16,723	328,900	52,900
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$986,750</b>	<b>\$2,048,466</b>	<b>\$1,751,232</b>
<b>Staffing</b>			
Accountant II	1.00	1.00	-
Accounting Coordinator	-	1.00	1.00
Accounting Manager	1.00	-	-
Accounts Payable Coordinator	1.00	1.00	1.00
AVP, Regulatory Compliance Officer	-	-	-
Chief Financial Officer	1.00	1.00	1.00
Controller, AVP of Finance	1.00	-	-
Director of Safety & Compliance	-	1.00	-
Finance Specialist	-	-	1.00
Financial Data Analyst	1.00	-	-
Grants/Budget Coordinator	-	1.00	-
Grants Administrator	-	-	1.00
Payroll Administrator	-	1.00	1.00
Senior Accountant	-	-	1.00
Senior Manager of Accounting	1.00	1.00	1.00
Senior Manager of Budget	-	1.00	-
Senior Manager of Budget & Grants	-	-	1.00
Senior Manager of Grants	-	1.00	-
<b>Total</b>	<b>7.00</b>	<b>10.00</b>	<b>9.00</b>

### Staffing Changes FY24 to FY25

- Director of Safety & Compliance was moved to CEO/Board and reclassified as the Senior Manager of Safety

## Finance

### Looking Ahead

#### FY25 Objectives & Performance Measures

**LONG RANGE FINANCIAL PLANNING** Convene and facilitate quarterly dialogue across Executive Team to progress long-range financial plan in conjunction with robust facility, vehicle and equipment, capital project, and grant development planning efforts led by respective departments as well as revenue development opportunities.

**ERP IMPLEMENTATION AND REPORTING** Finalize implementation of Finance module of Enterprise Resource Program and initiate implementation of Human Resources Module. Leverage electronic tools to provide clarity on operating costs for each transportation service offering: GoZone, Connect, UNT, Mobility Services, etc. Initiate / explore automated financial reporting dashboards and integration with Operations data.

**MAJOR PROJECT SUPPORT** Support strategic efforts with financial leadership that enables executive and Board decision-making in the following opportunities: Intermediate Service Plan; Long Range Service Plan; Regional Transit 2.0; A-train Enhancement; Old Town Lewisville TOD; next generation service contracts; and new service opportunities in Allen, Fairview, Frisco, Coppell and Span of Denton County cities

**NEW MEMBER POLICY AND REVENUE** Support revision and Board Approval of the New Member and Contracted Service Policy. Develop cost models for service delivery to nonmember cities, universities, and other major demand drivers that ensures protection of member city funds and encourages membership in DCTA.

**CORE FUNCTION SUPPORT** Develop robust operating capability and continuous improvement of DCTA Finance operations. Identify and define core operating capabilities, processes, policies, and procedures; gaps; risks posed by staff structure and operating posture; and risk mitigation strategies including talent acquisition, development, and succession planning.

## Finance

### Performance Measure Results

#### FY24 Progress Report

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

- Progress the long-range financial plan to the next level of detail so rail capital maintenance, bus and fleet and facility requirements align and reflect long-term support and funding.
  - During FY24, the long-range financial plan has progressed with the addition of details on the plan to maintain financial balances being saved for specific purposes and the evaluation of fund balances through FY2030 and beyond.

## Finance

### Performance Measure Results FY24 Progress Report

- Continue to evaluate and evolve the budgeting process to enable clarity on operating cost centers for each transportation service offering: Go Zone, Connect, UNT, Mobility Services, etc.
  - During FY24 the Finance team, working in partnership with other department teams, developed its first methodology to provide clarity on operating costs for our key modes of transportation. During FY25, the Finance team will expand on this calculation to provide further refinement of the cost data.

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

- Continue to evaluate fare collection and media across all modes. Identify opportunities to eliminate cash streamline, improve, and integrate into regional system.
- During FY24 the Finance and Planning teams participated in regional transit conversations to discuss fare collection strategies. These conversations included agreeing on the cost for regional transit passes to streamline the experience for riders across multiple transit systems.
- Lead the 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.
  - During FY24, the Agency completed demos of a short list of possible ERP solution providers. From these demos, a contract was signed for the implementation of a new solution. The Finance and IIT teams began the one-year long process of converting to a new financial system. The new ERP software is anticipated to go-live during FY25 (anticipated April 2025).

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

- 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 enable executive and board decision making.
  - During FY24, strides were made regarding several initiatives. Specifically with Old Town Lewisville TOD, the organization completed the demolition of the final structure on a 14.5 acre property, clearing the way for a new TOD to be constructed. Further DCTA has engaged several vendors and stakeholders to evaluate the plan for this TOD construction.
- Ensure repeatable quality processes for all functions of the agency. Evaluate Finance Organization staffing and systems. Identify, align and implement opportunities for improvement.
  - The Finance team has worked to document all key processes. Additionally, this reconstituted Finance team has challenged financial processes to ensure the method is a streamlined as possible.
- Develop cost models for service delivery to non-member cities, universities, and other major demand drivers that ensure protection of member city funds and encourage membership in DCTA.



## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$607,950	\$701,583	\$1,379,737
Outsourced Services & Charges	\$431,001	\$1,096,950	\$1,095,000
Materials & Supplies	-	250	-
Utilities	6,000	9,960	6,000
Insurance	-	-	-
Employee Development	13,775	46,070	25,900
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$1,058,725</b>	<b>\$1,854,813</b>	<b>\$2,506,637</b>
<b>Staffing</b>			
Capital Planning and Maintenance Manager	-	-	1.00
Custodian	-	-	1.00
Data Analytics Manager	-	-	1.00
Deputy CEO	0.50	-	-
Director of Government Relations	-	-	-
Executive Assistant & Board Process Manager	1.00	-	-
Facilities Technician	-	-	1.00
Lead Facilities Technician	-	-	1.00
Manager of Data Management & Analytics	-	1.00	-
Planning & Data Analytics Manager	1.00	1.00	-
Planning & Development Coordinator	-	1.00	-
Planning & Operations Analyst	-	-	1.00
Planning Analyst	-	-	1.00
Planning Manager	-	-	1.00
Project Controls Specialist	-	-	1.00
Service Design & Performance Manager	-	-	1.00
VP of Planning & Development	-	1.00	1.00
<b>Total</b>	<b>2.50</b>	<b>4.00</b>	<b>11.00</b>

### Staffing Changes FY24 to FY25

- New positions approved - Service Design & Performance Manager & Project Controls Specialist
- Positions hired in FY 2024 fiscal year - Data Analytics Manager, Planning Manager, Planning Analyst
- Positions moved from another department - Capital Planning and Maintenance Manager, Custodian, Facilities Technician, and Lead Facilities Technician
- Current Vacant Position - Planning & Operations Analyst

## Planning & Development

### Looking Ahead

#### FY25 Objectives & Performance Measures

**AUTOMATED DATA COLLECTION AND REPORTING** – Automate operations and safety data collection across all modes to a central repository. Create data visualization dashboards to assess operational health of the organization at an executive level and publish publicly-facing reports. Establish communication mechanisms across DCTA enabling continuous improvement of Key Performance Indicators. Revisit cost of service calculations for fixed route and GoZone and explore opportunities to link ERP Finance data with Ops data to automate cost of service calculations across all modes.

**A-TRAIN ENHANCEMENT PROGRAM** – Lead enhancement of the A-train service at DCTA. On-board program management consultant, validate study findings and recommend and implement initial phase of work. Identify long-term benefits and financial impacts of an expanded A-train operation to enable Board decision making on second and subsequent phases of the program to establish a goal “In-Service” date. Develop alternatives for the current A-train operating plan that reduces OPEX with minimal impact to ridership.

### PRIORITY PLANNING EFFORTS

**Intermediate Service Plan Phase II** – Lead staff, gain alignment with Executive team, and enable Board Decision that enables implementation of Intermediate Service Plan phase II, featuring consistent, year-round operation of a core bus network comprised of current “Connect” and “UNT Shuttle” routes and re-allocation of GoZone assets currently covering the fixed-route geography. In conjunction with the ISP, lead staff, gain alignment with leadership team, and enable Board Decision that implements initial phase of constructed Bus Shelter Improvements in conjunction with new Customer Experience vision.

**University Service Contract Evolution** – Lead contract negotiations with University of North Texas to increase revenue per service hour, decrease unproductive service hours deployed, and expand the GoZone exclusion area around the campus. Lead dialogue with Texas Woman’s University to demonstrate value of DCTA network to its campus and generate revenue opportunity.

**Old Town Lewisville TOD** – Lead coordination between Board Committee, City of Lewisville staff, and DCTA consultants and staff to deliver site concept development effort and developer RFQ / RFP process

**Long Range Service Plan** – Complete planning and A/E contract solicitations, scope the overall plan, and lead identification of 2035 Ridership Goal and market-based path to achievement and further development of DCTA fare standards and policies.

**Progress opportunities for new membership** in Frisco, Allen, Fairview, Coppell, and Span of Denton County cities to a Board decision point

**Regional Transit 2.0 Support**

**LONG RANGE CAPITAL PLANNING** – Establish mechanisms with various departments to compile robust facility maintenance, vehicle and equipment, capital project, and long term development planning needs to support quarterly dialogue on Long Range Financial Planning (LRFP). Maintain details of sub-items in the LRFP that enable thorough dialogue among members of the Executive Team on their respective components of the LRFP.

**CORE FUNCTION SUPPORT** – Develop robust operating capability and continuous improvement of DCTA planning and development functions. Identify and define core operating capabilities, processes, policies, and procedures; gaps; risks posed by staff structure and operating posture; and risk mitigation strategies including talent acquisition, development, and succession planning.

## Planning & Development

### Performance Measure Results

#### FY24 Progress Report

- 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.
  - Data Manager hired in April 2024
  - Phasing plan for the DCTA data central repository implementation has been established and adhered to
  - Data Manager has begun developing best practices and procedures for DCTA data management
- 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.
  - Successfully implemented phase I of the ISP
  - Increase frequency on Connect 3/6/7 routes to 20 min
  - Increase service hour operations on Connect 3/6 to align with Connect 7
  - Established new GoZone boundary, eliminating duplicative mode choices for origin and destination trips within 1/4 mile of a Connect bus route
  - Successfully reallocated GoZone capacity to other member city areas of need
  - Successfully installed 18 new bus stops along Connect 3/6/7 to support 1/4 mile bus stop spacing along the routes
  - Successfully launched effective communications plan including operator workshops on new bus stop locations
- 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 the current A-train operating plan that reduces OPEX with minimal impact on ridership. Execute bid and construction of the Joint Rail Operating Facility (JROF) project as directed by DART.
  - Successfully briefed the Board on A-train enhancement program and gained alignment on focus areas
  - Successfully identified opportunities to implement an interim solution of gaining speed on the A-train through implementation of curve civil work and speed code upgrades, necessary to achieve the interim scope as well as the long-term scope/goal of 15-min headways
  - Successfully closed out the JROF project (per DART direction) and returned un-utilized funds to DART
  - Successfully worked with FRA on CRISI grant audit along with opportunities to refine the existing scope to enable the reimbursement of the interim curve and speed enhancements project
- Lead preparation for Board of Directors strategic off-site meeting and lead development and execution of the Long-Range Service Plan solicitation, scope, and completion.

- Successfully led the preparation of the strategic off-site meeting
  - Developed draft scope elements of the Long-Range Service Plan
  - Developed scope of work for the new Planning on-call contract that will be kicking off the Long-Range Service Plan
- 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.
  - Successfully briefed the Board on the new Planning and Development department contracts strategy
  - Developed detail scopes of work for both contracts
  - Successfully worked with Procurement to review scopes of work and begin the plan for solicitation
- 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.
  - Successfully briefed the Board on Old Town Lewisville TOD project updates
  - Successfully established an Old Town Lewisville TOD committee made up of Board members, city staff, DCTA staff, and consultants to lead the concept development of the project/program elements
  - Developed initial design and development concepts based on committee and community feedback on land use, amenities, and market viability
- 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.
  - Successfully worked with DART to finalize existing design with safety QA/QC checklist
  - Successfully worked with DART to stop the project and return un-utilized funds per the request of DART and their Board due to the decision around investing in the Plano rail operating facility

## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$356,128	\$646,482	\$360,589
Outsourced Services & Charges	446,886	854,464	580,950
Materials & Supplies	21,343	30,124	29,050
Utilities	11	156	-
Insurance	-	-	-
Employee Development	9,642	35,500	35,500
Leases & Rentals	2,940	5,500	5,500
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$836,950</b>	<b>\$1,572,226</b>	<b>\$1,011,589</b>
<b>Staffing</b>			
Communications Specialist	1.00	1.00	-
Community & Business Relations Manager	-	-	1.00
Community Relations Manager	1.00	1.00	-
Community Relations Specialist	1.00	-	-
Director of Marketing & Communications	-	1.00	-
Director of Public Involvement & Communications	1.00	-	-
Manager of Marketing and Communications	-	-	1.00
Marketing Business Development	-	1.00	-
Marketing Specialist	1.00	1.00	-
Marketing & Communications Specialist	-	-	1.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>	<b>3.00</b>

### Staffing Changes FY24 to FY25

- Department Restructured - eliminated Marketing Business Development; and the former Communications Specialist and former Marketing Specialist will become a Marketing & Communications Specialist combined into one position

## **Marketing & Communications**

Looking Ahead

FY25 Objectives & Performance Measures

### **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 and major project initiatives. 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. Build Revenue Advertising Program on DCTA assets to generate ancillary revenue. Lead Federal, State, and Local Government affairs with leadership of consultant resources.

## **Marketing & Communications**

Performance Measure Results

FY24 Progress Report

- Annual Marketing and Communications Program-Create and lead annual marketing and communications programs 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 blog site, 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.
  - DCTA made strides this year in partnership with a marketing services firm to increase brand awareness through marketing and communications efforts both in print and digital, as well as local engagement.
  - Website redesign and improvement was not realized this year as the department went to 0 members, but has been reviewed and improvements identified. Staff aims to work toward these improvements in FY25.
- 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.
  - In working with a marketing services firm, staff has begun to capture metrics related to social media efforts and will continue to grow this reporting tool to cover all efforts.

## Marketing & Communications

### Performance Measure Results

#### FY24 Progress Report

- Build Pass Sales and Revenue Advertising Program-Work with leadership and stakeholders to build a Revenue Advertising Program allowing advertising on DCTA assets that generate ancillary revenue. This should include the 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 availability. 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.
  - This goal will be a focus of FY25 and was not able to have dedicated attention in the absence of a marketing staff.
- Increase DCTA Visibility in the Community-Maximize touch points 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.
  - DCTA made strides this year in partnership with a marketing services firm to increase brand awareness through marketing and communications efforts both in print and digital, as well as local engagement. In working with this marketing services firm, staff has begun to capture metrics related to social media efforts and will continue to grow this reporting tool to cover all efforts.
- 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.
  - Staff has begun to evaluate the committee and is working to define its purpose and program. The committee last met in September and is pending next steps which will be identified in the new year.
- 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.
  - DCTA safety staff has started on the model for this plan and made great efforts to identify gaps and needs. Safety will work closely with Marketing in this next year to move this plan forward.



## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$175,164	\$311,166	\$708,375
Outsourced Services & Charges	61,377	205,092	208,600
Materials & Supplies	1,720	2,000	7,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development	21,917	42,425	64,600
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$260,178</b>	<b>\$560,683</b>	<b>\$988,575</b>
<b>Staffing</b>			
Director of Human Resources	-	1.00	-
Human Resource Generalist	-	-	2.00
Human Resources Technician	-	1.00	1.00
Human Resources & Training Specialist	1.00	1.00	-
Human Resources Manager	-	-	1.00
Senior Director of Engagement & Administration	1.00	-	-
Senior Manager of Human Resources	1.00	-	1.00
Vice President of Engagement & Administration	-	-	1.00
<b>Total</b>	<b>3.00</b>	<b>3.00</b>	<b>5.00</b>

### Staffing Changes FY24 to FY25

- New positions approved - Human Resources Manager and HR Generalist

## Human Resources

### Looking Ahead

#### FY25 Objectives & Performance Measures

**Agency Policies and Procedures** -Lead Executive Team to scope extents of DCTA policies and procedures; establish process to draft, review, and deploy new policies and procedures; and ensure accountability. This includes but is not limited to creation of a Board Meeting Agenda procedure and evaluation of supplemental systems and tools to enhance efficiency. Coordinate with Finance Department to lead implementation of the Human Resources module of the new ERP system.

**Agency Safety and Training Program**-Synchronize safety approach and reinforce safety culture across the organization, including contracted operations. Support and facilitate collaboration between IT department and the DCTA organization in the successful execution of Phase I of the security and access control project. Support the configuration of access control systems, enhancing security measures for the entire agency. Collaborate with Operations Team to identify Training Department needs, cast vision, and align with CEO and Board of Directors on a plan to deliver the capability to the agency.

**Core Function Support**-Develop robust operating capability and continuous improvement of DCTA Operations. Identify and define core operating capabilities, processes, policies, and procedures; gaps; risks posed by staff structure and operating posture; and risk mitigation strategies including talent acquisition, development, and succession planning.

## Human Resources

### Performance Measure Results

#### FY24 Progress Report

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

- Audit HR functions, processes and policies. Identify risks and needs and make recommendations for updates.
  - Staff have completed an audit and identified needs. Several items have been remedied and have been assigned policies. Further needs have been captured in the FY25 budget for review and remedy in the new fiscal year.
- Evaluate DCTA Handbook and HR Policies. Develop plans for updates and recommend changes.
  - DCTA completed a new handbook and rolled out same to all employees. HR is actively working on HR policies, several of which have been completed and rolled out. The remaining policies are under review with anticipated completion in FY25.

## Human Resources

### Performance Measure Results FY24 Progress Report

- Evaluate total rewards program and make any needed recommendations to compensation, classification, benefits, time off or other total rewards items.
  - This goal has begun and staff made great strides to review benefits and capture employee feedback. This review will continue in FY25 and will see a completion as part of an Agency-wide compensation and total rewards study
- Evaluate and identify training needs and develop a plan to deliver training and growth paths for DCTA employees.
  - While training was identified and processed this year, the focus of such training centered around compliance with a review of the HR audit and the growth of the company to over 100 employees from 36 at the start of in FY24.
- Continue to progress the wellness program and support the wellness committee for employee engagement and overall wellness initiatives.
  - The wellness committee had a great year with several engaging challenges surrounding mental health, physical fitness, financial wellness and stress management.
- Complete employee engagement interviews. Identify trends and needs and make recommendations for best practices or changes.
  - Employee engagement interviews were completed successfully, obtaining valuable feedback from staff that will assist as we form policies and review total rewards this year.
- Provide guidance and coaching to NTMC leaders for best practices and best in class HR processes.
  - This goal elevated significantly from one of coaching leaders at the NTMC organization and becoming the leaders for those who previously worked at NTMC and are now employees of DCTA. This included the vetting, testing, hiring and training of over 90 employees this year.

## 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$305,980	\$651,903	\$788,487
Outsourced Services & Charges	372,706	420,571	737,775
Materials & Supplies	151,275	117,900	122,200
Utilities	-	14,400	116,800
Insurance	-	-	-
Employee Development	12,262	30,750	41,050
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$842,223</b>	<b>\$1,235,524</b>	<b>\$1,806,312</b>
<b>Staffing</b>			
Application Support Specialist	1.00	1.00	-
AVP of Innovation & Information Technology	1.00	1.00	-
Enterprise Applications Engineer	-	-	1.00
Information Technology Manager	1.00	-	-
Information Technology Support Coordinator	1.00	1.00	-
IT Coordinator Security System	-	1.00	-
IT Support Coordinator	-	-	1.00
Securities System Coordinator	-	-	1.00
Senior Manager of Information Technology	-	1.00	1.00
Systems Administrator	-	-	1.00
VP Innovation and IT	-	-	1.00
<b>Total</b>	<b>4.00</b>	<b>5.00</b>	<b>6.00</b>

### Staffing Changes FY24 to FY25

- Vacant Position Budgeted- Securities System Coordinator

## Innovation & Information Technology

Looking Ahead

FY25 Objectives & Performance Measures

**Electronic Security and Access Control** - Progress Phase I of the Electronic Security and Access Control program on time, and on budget. Cast vision for expanding Transit Safety function to include Security systems and processes to be enabled by the project. Identify all resources required for future state operation. Partner with Planning and Development for facility evolution needs, and Engagement and Administration for Human Resource Requirements.

**Enterprise Resource Program** - Support completion of Finance ERP implementation on time and on budget. Support launch of Human Resources ERP Module.

**Improve Customer Experience** - Create vision for improving the start-to-finish customer experience on the DCTA system. Identify fare purchase mechanisms and systems required, consider technologies that can be applied to signage and way finding on the network, consider fare collection and validation technologies, and website and mobile app interfaces to enhance the experience. Consider how to maximize alignment with regional partners and universities to enable seamless customer experience on transit across the metroplex. Support the evolution of the DCTA customer service function by assisting specification of technology, hardware, and software that enables high quality customer support and minimizes reliance on customer service provided by contractors. Partner with other departments as needed to develop integrated solutions.

**Data Technology Integration**- Provide technology infrastructure to support data reporting platforms across agency departments, including but not limited to integration of financial and operational reporting.

**Core Function Support** - Develop robust operating capability and continuous improvement of DCTA Operations. Identify and define core operating capabilities, processes, policies, and procedures; gaps; risks posed by staff structure and operating posture; and risk mitigation strategies including talent acquisition, development, and succession planning.

## Innovation & Information Technology

Performance Measure Results

FY24 Progress Report

- 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.
  - Concluded implementation of hardware and software modules associated with the Swiftly Connected Transit Platform and engaged with vendor partners to develop and implement a sampling plan for National Transit Database certification. Certification of automated passenger counting hardware by the Federal Transit Administration is slated for completion by January 2025.

## **Innovation & Information Technology**

### Performance Measure Results

#### FY24 Progress Report

- Implement FY24 Expanded Level Projects
  - Server Infrastructure Refresh
  - Successfully implemented a scheduled refresh of DCTA's server infrastructure hardware which includes geographical distance between primary and redundant data centers for the purpose of disaster recovery.
  - Phase I of Electronic Security and Digital Passenger Signage Project
  - Selected an electronic security contractor and developed a project scope and schedule for implementation beginning in Fiscal Year 2025.
- Progress and support all technological aspects of Enterprise Resource Planning software implementation.
  - Completed base software configuration of Enterprise Resource Planning platform and initiated the process of training power users within the platform for a projected launch date of April 2025.
- Successful implementation of the Spare Labs dispatching platform and identification of the next phases of innovative technology that improves the efficiency of agency operations.
  - Implemented and launched the Spare Labs platform utilized dispatching and booking trips for our Access and DCTA contracted services. Initiated a plan to deploy an app-based booking experience for Access customers utilizing the Spare Labs platform.
- 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.
  - Engaged with regional partners and joined a working group supporting electronic fare payment solutions within the region.
  - Engaged with the customer service team to perform review of current customer service technology capabilities and performed a market scan of available alternatives.
  - In conjunction with the planning team, conceived a pilot program for bus digital signage at the Downtown Denton Transit Center.
- Provide technology infrastructure to support data reporting platforms at the agency.
  - In conjunction with the Manager of Data Analytics, configured and deployed back end database technology supporting agency reporting and dashboard initiatives .
- Ensure repeatable, qualified processes for all functions of the agency through documentation of procedures and establishing and monitoring SLAs for the agency's technology infrastructure.
  - Refined policies and procedures related to on-boarding and off-boarding new agency employees
  - Implemented improved disaster recovery procedures enhanced by the deployment of the refreshed server infrastructure and geographically isolated data centers.

## 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.

This division was formed in FY 2023.

	FY 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$443,993	\$260,001	\$340,545
Outsourced Services & Charges	54,750	36,460	36,460
Materials & Supplies	-	4,000	4,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development	9,730	19,905	23,205
Leases & Rentals	-	-	-
Depreciation	-	-	-
<b>Total Dept Budget</b>	<b>\$508,473</b>	<b>\$320,366</b>	<b>\$404,210</b>
<b>Staffing</b>			
AVP of Regulatory Compliance	1.00	-	-
Grants Manager	1.00	-	-
Manager of Contracts and Procurement	1.00	-	-
Procurement Coordinator	-	-	1.00
Procurement Specialist	1.00	-	-
Project Controls Specialist	0.60	-	-
Risk/Safety Manager	1.00	-	-
Senior Manager of Procurement & Compliance	-	1.00	1.00
Senior Procurement Specialist	1.00	1.00	1.00
<b>Total</b>	<b>6.60</b>	<b>2.00</b>	<b>3.00</b>

### Staffing Changes FY24 to FY25

- Positions hired in FY 2024 fiscal year - Procurement Coordinator



## **Procurement & Compliance**

### Looking Ahead

#### FY25 Objectives & Performance Measures

- Enhance DCTA Policies to reflect current best practices
  - Update the Procurement Manual
  - Update the P-Card Policy
  - Update the DBE Program - Federal Statute Changes
- Create efficiencies agency-wide to streamline all procurement transactions
  - Launch forms via SmartSheet for procurement tasks
  - Streamline contract and task order administration
  - Expand the use of Adobe Sign for all multi-level transactions
- Educate all staff on the current processes and laws associated with procurement and contracts
  - Create a comprehensive annual training calendar for contracts, procurement, and other Finance related topics
  - Conduct 1:1 training sessions for Finance Liaisons
  - Create new guides for procurement transactions related to new processes

## **Procurement & Compliance**

### Performance Measure Results

#### FY24 Progress Report

- Annual training program is continuously being defined. Provided Lifecycle Finance & Procurement training, P-Card training, Requisition and Receiving training, Contract Administration training, among others on an annual basis.
- Both the Procurement Manual and P-Card Policies have been put on hold due to ERP and will fall in line for update along with all other agency policies.
- An overhaul of the P-Card Program is a post-go live event after the ERP transition. This is still planned for late 2025.
- Developed a SmartSheet Forms user-based request system to effectively manage all contracts, task orders, bids, RFPs, general inquiries, vendor creation, and change orders. This dashboard also houses key information such as cooperative procurement information and sourcing, tax exempt information, sole source forms, and policies.
- Adobe Sign has been adopted for the routing and execution of all contracts and agreements. Since the launch of this digital platform we have successfully routed and executed over 140 contracts and agreements.
- Since the launch of SmartSheet we have processed over 200 requests for purchasing updates.

## Bus Operations and Mobility Services

	FY 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Mobility Services Staffing</b>			
ADA Coordinator/TT	-	-	1.00
Asset Management Coordinator	-	1.00	1.00
AVP of Innovation & Technology	0.50	-	-
Bus Operations Coordinator	-	1.00	-
Bus Operations Manager	-	1.00	1.00
CDL Bus Operator	-	-	53.50
Chief Operating Officer	-	0.50	0.75
Customer Experience Coordinator	-	-	5.00
Customer Service Manager	-	1.00	2.00
Director of Capital Development	0.20	-	-
Director of Operations	-	-	1.00
Director of Transportation		1.00	1.00
Lead Mechanic	-	-	2.00
Maintenance Manager	-	-	1.00
Manager of Operations Support	-	1.00	-
Mechanic I	-	-	4.00
Mechanic III	-	1.00	-
Mobility Services Coordinator	1.00	-	-
Mobility Services Manager	1.00	1.00	-
Mobility Specialist	-	-	1.00
NON-CDL Bus Operator	-	-	9.00
Operations Analyst	1.00	1.00	-
Operations Supervisor	-	-	8.00
Ops Manager	-	-	2.00
Safety, Security & Training Supervisor	-	-	1.00
Senior Administrative Specialist	-	1.00	1.00
Senior Director of Bus Operations	-	1.00	-
Senior Director of Mobility Services	1.00		-
Senior Manager of Mobility Services	1.00	1.00	1.00
Service Attendant	-	-	4.00
Supply Coordinator	1.00	-	-
Training Instructor	-	-	1.00
<b>Total - DCTA Mobility Services Staffing</b>	<b>6.70</b>	<b>12.50</b>	<b>101.25</b>
<b>Contracted Bus Services (NTMC) - Staffing</b>			
Bus Administration Department	3.00	3.00	0.00
Customer Service Department	8.00	7.00	0.00
Supervisors/Dispatchers Department	11	8	0.00
Maintenance Department	19.00	15	0.00
Bus Administration Department	43.00	62.00	0.00
<b>Total - NTMC Bus Services Staffing</b>	<b>84.00</b>	<b>95.00</b>	<b>0.00</b>

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

	FY 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses - DCTA Mobility Services</b>			
Salary, Wages, Benefits	\$571,621	\$1,493,643	\$8,652,975
Outsourced Services & Charges	912,921	1,316,480	1,121,181
Materials & Supplies	1,449,677	1,835,596	1,990,387
Utilities	228,164	296,350	196,000
Insurance	232,295	29,450	394,800
Purchased Transportation	10,817,899	13,259,864	12,828,274
Employee Development	4,813	41,250	98,450
Leases & Rentals	6,787	10,057	13,200
Depreciation	982,800	1,173,312	918,760
<b>Total DCTA Bus Services Budget</b>	<b>\$15,206,978</b>	<b>\$19,456,002</b>	<b>\$26,214,027</b>

## Bus Operations and Mobility Services

Looking Ahead

FY25 Objectives & Performance Measures

- Leverage data-driven insights across all transportation modes to achieve a 1% year-over-year improvement in Key Performance Indicators (KPIs) by identifying trends and leading real-time adjustments. Support data analytics efforts led by the Planning and Development Department, and champion the implementation of the Safety Management System (SMS) to proactively identify and mitigate risks while promoting a culture of safety across DCTA.

### Specific Mode Objectives:

- Bus Operations: Ensure accurate and comprehensive on-time performance reporting, particularly by accounting for real-time changes in road conditions. Implement strategies to enhance data collection and reporting processes, leading to more precise adjustments in bus schedules.
- A-train: Develop customer-facing KPIs that complement existing contractual metrics, providing a more comprehensive view of service performance. Collaborate with relevant departments to explore and implement operational alternatives aimed at boosting ridership and reducing operational costs.
- Support the solicitation, negotiation, and execution of major service contracts with Operations expertise to ensure the continuity and optimization of contracted services across the Agency. Collaborate with the Planning and Development Department to support negotiations of service contracts, including the UNT Service Contract, with a focus on reducing operating costs and increasing revenues for DCTA.

### Mode Specific Objectives:

- A-train Contract: Aid with the negotiation and renewal process for the A-train service contract, ensuring that terms are favorable to DCTA, service quality is maintained, and operational continuity is secured. Explore opportunities for cost savings and service enhancements during contract discussions and the development of the annual capital plan.
- Mobility As A Service: Support the solicitation and negotiation process for Demand-Response and TNC

## **Bus Operations and Mobility Services**

Looking Ahead

FY25 Objectives & Performance Measures

contracts, ensuring that service levels meet performance expectations and that the contracts provide flexibility for adjustments based on demand and performance metrics. Aim to secure terms that optimize costs and improve service delivery.

- **UNT Service Contract:** Support the Finance and Planning and Development Department in negotiating the UNT Service Contract and other key agreements, focusing on options to reduce operating costs while maximizing revenue potential for DCTA. Ensure that all contract terms align with DCTA's strategic goals and financial sustainability
- **Provide Operations** to enable informed executive and Board decision-making in key areas, including the Intermediate Service Plan, Long Range Service Plan, Regional Transit 2.0, A-train Enhancement, next-generation service contracts, and the exploration of new service opportunities in targeted cities.

### Specific Objectives:

- **Intermediate and Long-Range Service Plans:** Collaborate with Planning and Development to gather and analyze data, develop recommendations, and support the creation of both the Intermediate Service Plan and Long-Range Service Plan. Ensure these plans align with DCTA's strategic objectives and provide a clear roadmap for future service improvements and expansions.
- **Regional Transit 2.0:** Assist in the development and implementation of the Regional Transit 2.0 initiative, working closely with key stakeholders to identify opportunities for regional integration and service enhancements. Support efforts to position DCTA as a leader in regional transit solutions.
- **A-train Enhancement:** Provide support for the A-train Enhancement project, including the evaluation of potential upgrades and service improvements. Work with operations leadership to assess the feasibility and impact of proposed changes, ensuring alignment with the agency's long-term goals.
- **Next Generation Service Contracts:** Assist in the strategic planning and development of next-generation service contracts, focusing on ensuring continuity, flexibility, and cost-effectiveness. Provide insights and recommendations that will inform executive and Board decisions during contract negotiations.
- **New Service Opportunities:** Support the exploration and evaluation of new service opportunities in the cities of Allen, Fairview, Frisco, Coppell, and across the span of Denton County cities. Work with operations leadership to assess demand, operational feasibility, and potential partnerships, providing detailed reports and recommendations to guide executive and Board decision-making.
- **Provide strategic assistance** in planning and securing the future transportation fleet and enhancing the overall passenger experience. This includes supporting long-term fleet requirements, coordinating with Planning and Development, and leading efforts to secure federal funding, particularly for low or no-emission vehicles.

## **Bus Operations and Mobility Services**

Looking Ahead

FY25 Objectives & Performance Measures

- Provide strategic assistance in planning and securing the future transportation fleet and enhancing the overall passenger experience. This includes supporting long-term fleet requirements, coordinating with Planning and Development, and leading efforts to secure federal funding, particularly for low or no-emission vehicles.

### Specific Objectives:

- **Long-Term Fleet Requirements:** Assist in identifying and planning long-term fleet needs for both fixed-route services and non-revenue vehicles. Ensure these requirements are accurately reflected in the Long-Range Financial Plan, considering future growth and service demands.
- **Fleet Evolution in Current Cities:** Coordinate with the Planning and Development Department to evaluate and identify potential changes in fleet requirements within current service areas. This could include assessing the need for articulated buses on certain Denton routes and exploring the introduction of fixed-route services in Lewisville.
- **Bus Replacement Purchase:** Provide support in the procurement process for bus replacements, ensuring that the selected vehicles meet the operational needs and strategic goals of DCTA.
- **Federal Funding and Lo-No Emission Vehicles:** Assist in establishing a vision for fleet replacement that includes securing federal funding, particularly for low or no-emission vehicles.
- **Leverage the Lo-No vehicle plan** to position DCTA as a leader in sustainable transportation, and lead efforts to secure the necessary resources for this transition.
- **Future Passenger Experience:** Work closely with Planning and Development to establish a vision for enhancing the DCTA passenger experience, including improvements to bus stops and other passenger-facing infrastructure. Ensure that this vision aligns with DCTA's strategic objectives and enhances overall service quality.
- **Assist in developing and enhancing the operational capabilities of DCTA Bus Operations** by establishing core processes, identifying and addressing operational gaps, and implementing risk mitigation strategies focused on talent acquisition, development, and succession planning.

### Specific Objectives:

- **Core Operating Capabilities:** Assist in identifying and defining the core operating capabilities, processes, policies, and procedures necessary for the efficient and effective functioning of DCTA Bus Operations. Ensure these core elements are well-documented, standardized, and aligned with best practices.
- **Gap and Risk Identification:** Work to identify any gaps or risks in the current staff structure and operating posture that could impact the bus operations' performance or continuity. This includes assessing current staffing levels, skill sets, and organizational structure against operational requirements.
- **Risk Mitigation Strategies:** Develop and implement risk mitigation strategies to address identified gaps and risks. Focus on talent acquisition, development, and succession planning to ensure that DCTA has the necessary skills and leadership in place to maintain and improve bus operations. This includes creating a pipeline for future leaders and ensuring that staff are well-prepared to meet current and future challenges.

## **Bus Operations and Mobility Services**

Performance Measure Results

FY24 Progress Report

- **Develop and deliver transportation offerings that meet the 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.

## 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 rail operations, rail maintenance, safety/security, internal and external agency coordination, and transit oriented development. 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 2023 Actuals	FY 2024 Working Budget	FY 2025 Adopted Budget
<b>Expenses</b>			
Salary, Wages, Benefits	\$229,433	\$378,825	\$228,624
Outsourced Services & Charges	2,720,452	1,679,497	881,204
Materials & Supplies	807,485	1,461,062	1,137,500
Utilities	220,438	382,453	391,822
Insurance	1,329,773	1,370,916	1,456,300
Purchased Transportation	11,433,576	11,799,631	12,225,184
Employee Development	1,841	14,215	10,720
Leases & Rentals	1,613	2,400	-
Depreciation	8,036,289	9,859,191	9,809,803
<b>Total Dept Budget</b>	<b>\$24,780,899</b>	<b>\$26,948,190</b>	<b>\$26,141,157</b>
<b>Staffing</b>			
Chief Operating Officer	-	0.50	0.25
Deputy CEO	0.50	-	-
Director of Capital Development	0.80	-	-
Project Controls Coordinator	0.40	-	-
Rail Ops Coordinator	-	1.00	-
Senior Director of Rail Operations	1.00	-	-
Senior Manager of Rail Operations	1.00	1.00	1.00
<b>Total</b>	<b>3.70</b>	<b>2.50</b>	<b>1.25</b>

### Staffing Changes FY24 to FY25

- Vacant Position Eliminated - Rail Coordinator
- COO - spread over 3 departments in FY25 instead of 2 in FY24



## **Rail Services**

### Looking Ahead

#### FY25 Objectives & Performance Measures

- Support the A-train Enhancement Program to accomplish defined objectives such as increasing service frequency, extending the A-train to Downtown Carrollton, and exploring the addition of a station at Corinth. Support the development of operational alternatives aimed at enhancing ridership and reducing operational costs, ensuring that the A-train service remains efficient and customer-focused.
- Provide quality control of the A-train operating contract to ensure all contract terms are strictly adhered to, promoting fiscal responsibility and accurate budget management. Support development of recommendation to the Board to exercise the 5-year option on the contract. Assist in the development of future budgets to align with long-term financial planning and operational needs.
- Drive initiatives aimed at improving quality and enhancing operational efficiency and implementing customer-facing Key Performance Indicators (KPIs) that complement existing contractual KPIs, providing a comprehensive view of service performance. Assist in the implementation of a safety management system for the Rail operation, focusing on identifying and mitigating risks while promoting a strong culture of safety within the department. Conduct monthly reviews to ensure continuous adherence to safety standards.

## **Rail Services**

### Performance Measure Results

#### FY24 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.

Rail Services

Performance Measure Results  
FY24 Progress Report

**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.

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

**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.



# Capital Improvement Plan



Operating &  
Capital Budget

2025



## **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.

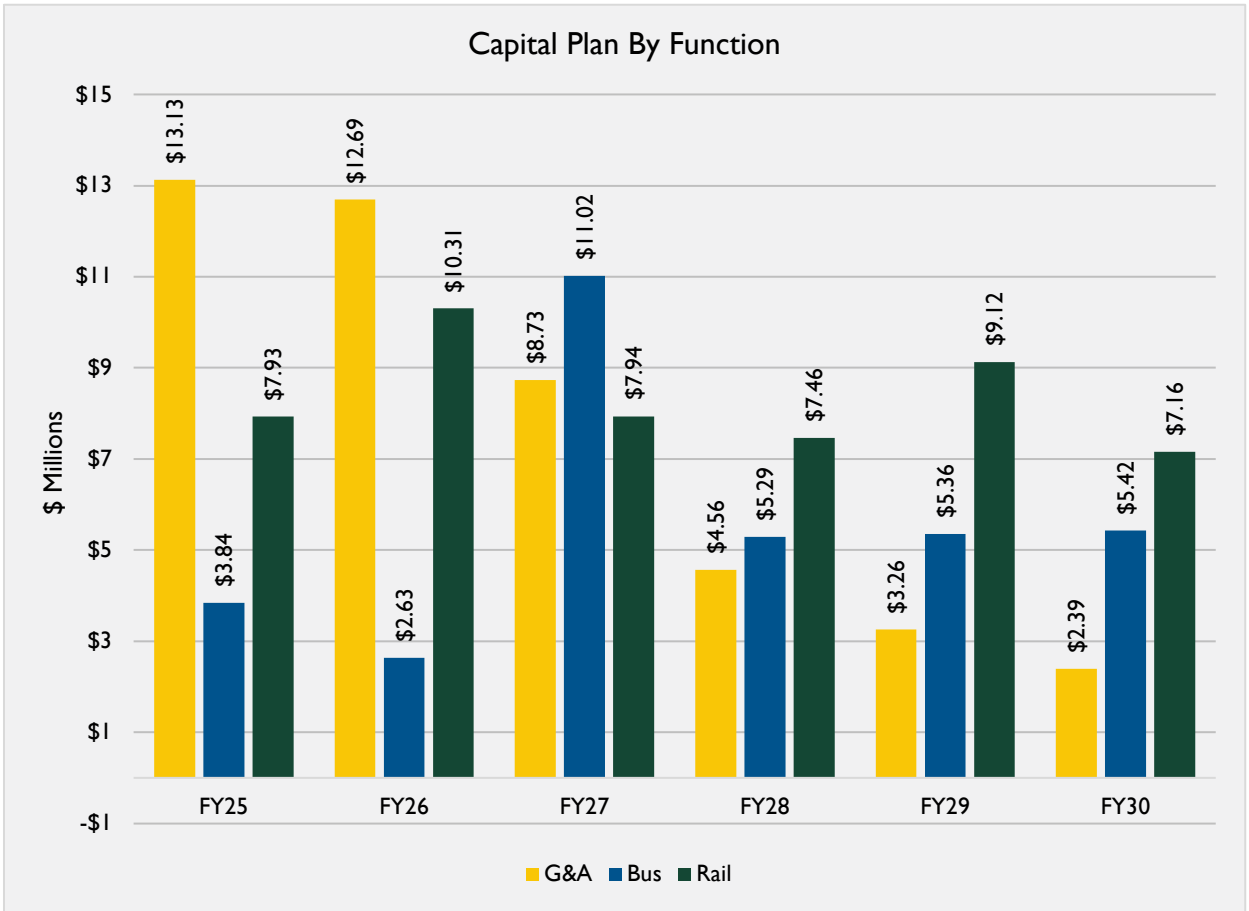
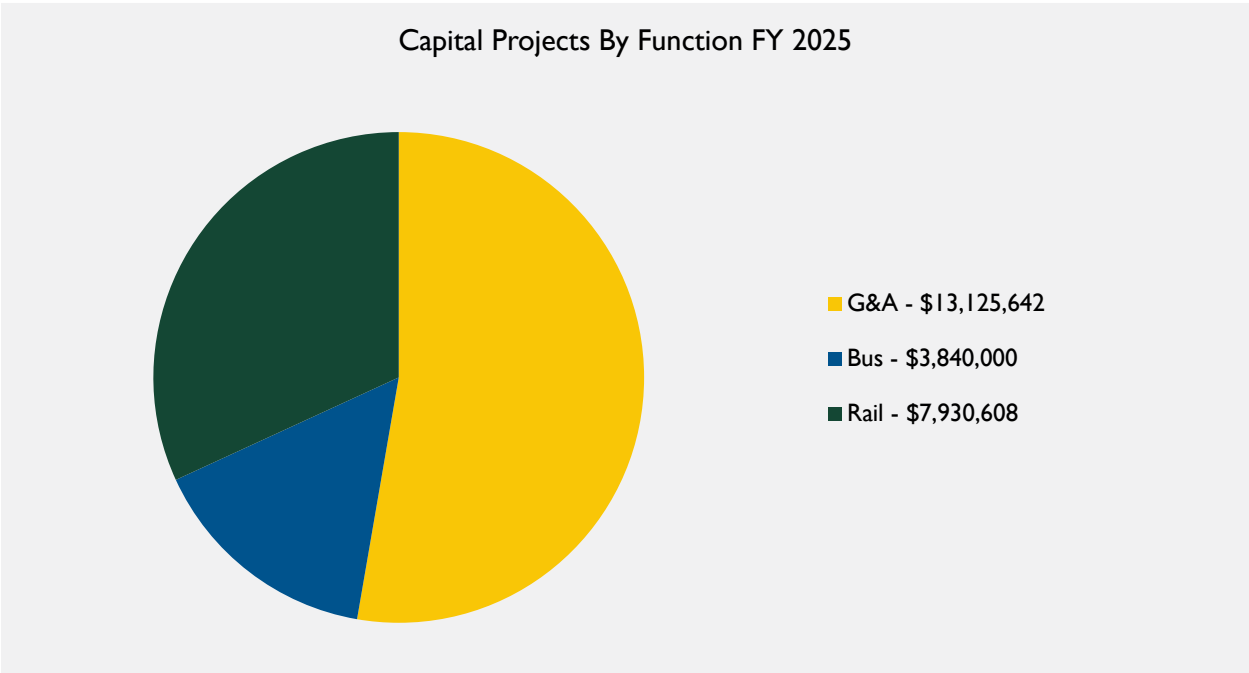
The current year of the CIP is adopted with the approval of the FY25 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and require specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY25 is \$24.9 million, and includes bus, rail, and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

## Capital Improvement & Major Maintenance Plan | Summary

Project Name	Project #	Projects through FY 2023	Projects in FY 2024	Adopted FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Anticipated Project Total (thru 2030)
<b>Bus Services</b>										
Fleet Purchase - Bus	50311	-	-	2,040,000	603,000	8,999,000	3,291,000	3,356,000	3,424,000	21,713,000
TAM: Fleet Replacement - UNT		-	400,000	400,000	500,000	500,000	500,000	500,000	500,000	3,300,000
TAM: Fleet Replacement - Connect		-	1,200,000	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	10,100,000
Samsara Dual Facing Camera	TBD	-	-	-	25,000	25,000	-	-	-	50,000
<b>Rail Services</b>										
Positive Train Control Enhancements (Phase 2)	61406.2	148,180	-	2,500,000	2,351,820	-	-	-	-	5,000,000
Major Maintenance - Rail FY24	61726	0	2,368,780	-	-	-	-	-	-	2,368,780
Major Maintenance - Rail <b>NEW in FY25</b>	61727	-	-	3,130,608	5,859,000	5,488,000	5,660,000	7,324,000	5,359,000	32,820,608
RailComm Dispatch Software - <b>NEW in FY25</b>	61407	-	-	500,000	300,000	-	-	-	-	800,000
TAM: Major Maintenance - Rail		-	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	12,600,000
Roof Replacement		-	-	-	-	650,000	-	-	-	650,000
<b>G&amp;A Services</b>										
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	1,200,000	3,300,000	3,852,250	-	-	-	11,604,240
ERP Implementation	10408	-	500,000	1,600,000	-	-	-	-	-	2,100,000
Server Infrastructure Refresh	10409	-	450,000	-	-	-	-	500,000	-	950,000
Electronic Safety & Security Program	10411	-	-	3,888,000	1,878,000	-	-	-	-	5,766,000
Fiber Optic Network - Locate & Improvements - <b>NEW in FY25</b>	10412	-	-	278,000	175,000	-	-	-	-	453,000
Project Management Software & Implementation - <b>NEW in FY25</b>	10413	-	-	112,000	-	-	-	-	-	112,000
Fleet -Non-Revenue (2 SUV's)	10414	-	-	80,000	-	-	-	-	-	80,000
Stadler Laptop Replacement	TBD	-	-	-	80,000	-	-	-	-	80,000
FUTURE: Backup & DR Infrastructure Upgrades		-	-	-	-	45,000	-	-	-	45,000
<b>Transportation Reinvestment Program (TRiP)</b>										
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
TRiP Program Funding - FY25	10706	-	-	5,967,642	-	-	-	-	-	5,967,642
FUTURE:TRiP Program Funding	-	-	-	-	7,260,945	4,834,611	4,435,572	2,758,603	2,390,064	21,679,794
<b>TOTAL CAPITAL BUDGET</b>		<b>31,858,545</b>	<b>17,782,913</b>	<b>24,896,250</b>	<b>25,632,765</b>	<b>27,693,861</b>	<b>17,311,572</b>	<b>17,738,603</b>	<b>14,973,064</b>	<b>177,887,572</b>



Capital Improvement & Major Maintenance Plan | Summary

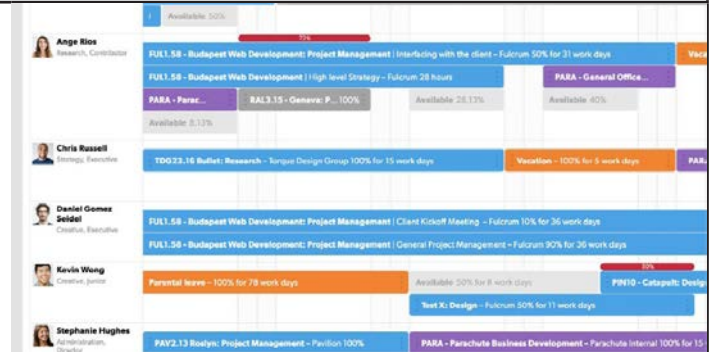


## Capital Improvement & Major Maintenance Plan | Project Detail

### Project Name: Project Management Software & Implementation Project Number: 10413

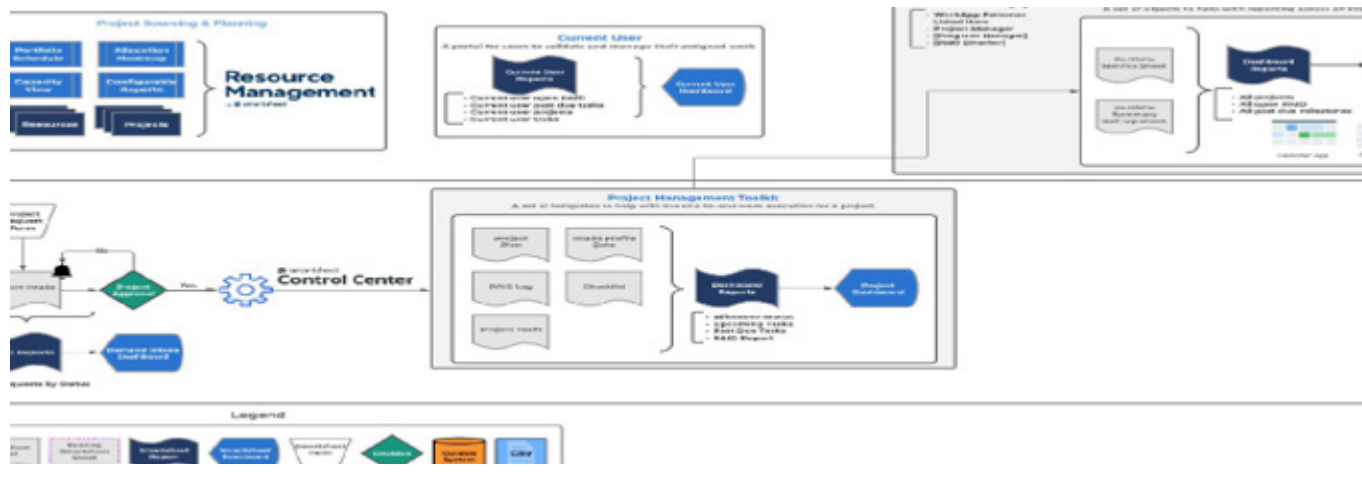
#### Statement of Need / Description

This project aims to establish a project management platform that aligns staff across all levels with the agency's goals and objectives, enabling better coordination and efficiency in project execution. The platform will be used to monitor the progress of projects and agency initiatives, providing internal dashboards and resource tracking for enhanced visibility into staff availability and capacity. This will help manage workloads and ensure that team members can take on additional tasks as needed.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$112,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	\$70,000
<b>Total</b>	<b>\$112,000</b>			<b>Total Funding</b>	<b>\$70,000</b>

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Information Technology
<input type="checkbox"/> Increase in Amount	On-going costs of \$60,000 for computer and software costs maintenance and \$10,000 for Professional Services will be built into future budgets.
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> New Project	




Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Major Maintenance-Rail

Project Number: 61727

Statement of Need / Description

The Major Maintenance-Rail project is an annual project for Denton County Transportation Authority's (DCTA). The staff and rail contractor conducts daily monitoring of the rail vehicle fleet, tracks, signal systems, and associated facilities. This ensures that all DCTA assets are in top condition and comply with Federal Railroad Administration (FRA) regulations. By adhering to strict safety standards and maintenance protocols, DCTA prioritizes the safety and reliability of its rail services, offering peace of mind to the communities we serve.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$3,130,608	See Project notes	—	Federal Grants	\$3,130,608
2026-27	\$5,859,000	See project notes	—	Operating Funds	—
Total	\$8,989,608			Total Funding	\$3,130,608

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Rail Operations  Stadler Fleet Repairs: \$ 2,086,000 Signal Repairs: \$200,558 Track Repairs: \$708,422 Rail Facility Repairs: \$135,628
<input type="checkbox"/> Increase in Amount	
<input checked="" type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> New Project	



Grout Injection



Signal Electronics



Engine Overhaul



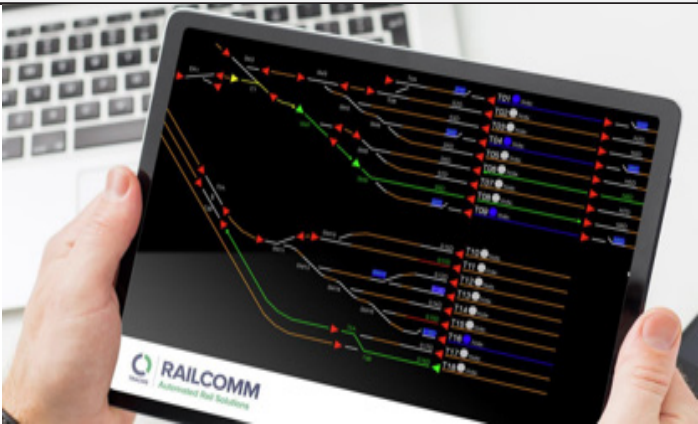
Drainage Repair

Capital Improvement & Major Maintenance Plan | Project Detail

**Project Name: RailComm Dispatch Software**  
**Project Number: 61407**

Statement of Need / Description

The RailComm Dispatch Software project aims to replace the outdated Wabtec Train Management Dispatch System (TMDS) dispatch software, originally implemented for the A-train rail service in 2010-2011. The current TMDS version, customized by a previous contractor, is no longer supported by Wabtec and lacks integration with the EATC (PTC) Temporary Speed Restriction (TSR) software. This results in inefficient double entry of data into both systems, increasing the risk of human error. By utilizing the RailComm Dispatch Software, we will achieve seamless integration with TSR software, eliminating the need for duplicate entries and reducing operational costs under the proposed EATC maintenance agreement. Additionally, transitioning to RailComm will replace existing server hardware with a cloud-based solution, enhancing efficiency and scalability. The project budget includes software licensing and implementation aligned with rail service schedules and operations.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$500,000	See project notes	—	Federal Grants	—
2026-27	\$300,000	See project notes	—	Operating Funds	\$35,000
Total	\$800,000			Total Funding	\$35,000

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Rail Operations  This is also planning for on-going operating costs of \$30,000 per year for computer and software maintenance.
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fiber Optic Network-Locate & Improvements

Project Number: 10412

Statement of Need / Description

This Fiber Optic Network-Locate and Improvements project focuses on enhancing the fiber optic network that supports voice, data, security, and control services along the A-train rail system. A single-mode fiber optic backbone was installed within conduits parallel to the tracks; however, no complete site plan or GPS coordinates were provided at that time. After more than a decade of operation and numerous modifications without proper documentation or registration with Texas 811 dig service, the network requires significant updates. This enables the agency to identify and correct vulnerabilities, better respond to ongoing maintenance requirements, enable future modifications for railroad purposes, and address emergency issues that may arise.

The diagram illustrates a network architecture. At the top, a PowerStore 500 storage unit is connected via Dual 25 Gb Ethernet to two Network Attached Storage (NAS) units, NAS A and NAS B. These NAS units are connected via iSCSI to a Dell EMC Networking switch. The switch is also connected via Dual 10 Gb Ethernet to two VMware ESXi clusters: a 28-node cluster and an Infrastructure ESXi cluster running vCenter. The switch is labeled as Dell EMC Networking Dual S5148F-ON switches with 100 Gb trunking.

Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$278,000	See project notes	—	Federal Grants	—
2026-27	\$175,000	See project notes	—	Operating Funds	—
Total	\$453,000			Total Funding	

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Information Technology
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> New Project	





## Capital Improvement & Major Maintenance Plan | Project Detail

### Project Name: Electronic Safety & Security Program Project Number: 10411

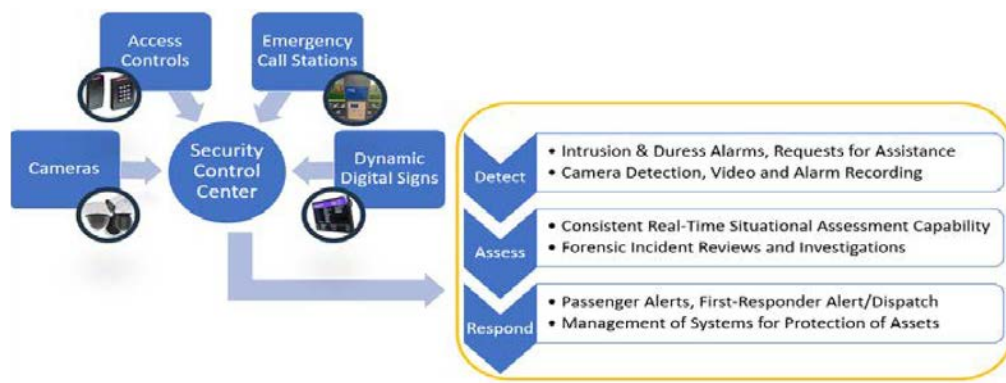
#### Statement of Need / Description

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
2024-25	—	See project notes	—	State Grants	—
2025-26	\$3,888,000	See project notes	—	Federal Grants	—
2026-27	\$1,878,000	See project notes	—	Operating Funds	—
<b>Total</b>	<b>\$5,766,000</b>			<b>Total Funding</b>	

Change from Previous CIP	Project Notes
<input checked="" type="checkbox"/> No Change <input type="checkbox"/> Increase in Amount <input type="checkbox"/> Decrease in Amount <input type="checkbox"/> New Project	Coordinating Department: Information Technology



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Infrastructure Acquisition- Old Town Lewisville TOD

Project Number: 10302

Statement of Need / Description

The Old Town Lewisville TOD capital project supports the agency’s long-range planning efforts by enabling property acquisition and associated engineering and design work for a key program to support transit oriented development (TOD) adjacent to the Old Town A-train station in Lewisville. This program may include developing intermodal transit facilities, expanding administrative offices, enhancing parking capacity, and supporting economic development that is transit oriented.

As part of this initiative, land was initially purchased in 2020. The remaining project budget will be allocated to cover relocation expenses, demo of existing facilities, and future planning, design, and construction elements in line with the grant description and requirements.

Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$634,981	See project notes	—	State Grants	—
2025-26	\$1,200,00	See project notes	—	Federal Grants	—
2026-27	\$3,300,000	See project notes	—	Operating Funds	—
Total	\$5,134,981			Total Funding	

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	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.
<input type="checkbox"/> Increase in Amount	
<input checked="" type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fleet-Non Revenue (2 SUVs)  
Project Number: 10414

Statement of Need / Description

The Fleet-Non Revenue project will allow the purchase of two vehicles. One for IT and one for Facilities Maintenance and Operations. The vehicle for Facilities Maintenance and Operations will help with travel between facilities in order to stay on top of repairs and proper facility related maintenance. And, the vehicle for IT will help the staff who regularly travel to Denton multiple times per week as well as to Administration facility and Rail facility in Lewisville. The current vehicles assigned are aging and have had severe maintenance issues that pose a safety risk for the driver and passengers.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$80,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$80,000			Total Funding	

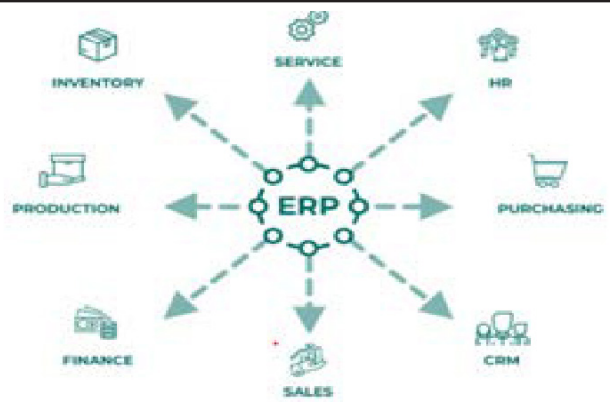
Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Information Technology and Operations  The associated operating costs related to these non-revenue replacement vehicles will be minimal and include fuel and standard maintenance.
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> New Project	

Capital Improvement & Major Maintenance Plan | Project Detail

**Project Name: Enterprise Resource Planning (ERP) Implementation**  
**Project Number: I0408**

Statement of Need / Description

The ERP Implementation project is DCTA undertaking the implementation of a new Enterprise Resource Planning (ERP) system to replace its current software, CentralSquare (SunGard) OneSolution. This system, which is central to the Finance department and affects operations across all departments, has been identified as outdated and inadequate for key financial tasks. The current ERP requires manual processes that increase the risk of errors and inefficiencies. As part of the DCTA Transformation Initiative, a more advanced ERP solution is being implemented to streamline operations and better support the agency's needs. The project includes three critical components: securing the necessary ERP software licenses, covering the costs of implementation, and ensuring independent verification and validation throughout the deployment process to guarantee a smooth and successful installation.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$500,000	See project notes	—	State Grants	—
2025-26	\$1,600,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	\$250,000
Total	\$2,100,000			Total Funding	\$250,000

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Information Technology  Annual operating costs related to the ERP project are estimated at \$250k and are reflected in FY25 forward in the Long-Range Financial Plan.
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Transportation Reinvestment Program (TRiP)-FY2025  
Project Number: I0706

Statement of Need / Description

The Transportation Reinvestment Program (TRiP) facilitates partnerships between DCTA and its member cities to invest in mutually beneficial transit-supportive projects. Through this program, DCTA will distribute funds for eligible projects aligned with its Long-Range Service Plan and governed by Chapters 431 and 460 of the Texas Transportation Code. TRiP is a five-year initiative, with the first funding cycle starting in the 2021 fiscal year. Each year, 15% of DCTA's net available fund balance from the prior fiscal year will be allocated to the program. As TRiP projects span multiple years and are not owned or maintained by DCTA, they program costs are managed under the capital fund, with incurred expenses recorded and reimbursed annually.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	---	See project notes	---	State Grants	---
2025-26	\$5,697,642	See project notes	---	Federal Grants	---
2026-27	---	See project notes	---	Operating Funds	---
Total	\$5,967,642			Total Funding	

Change from Previous CIP	Project Notes
<input checked="" type="checkbox"/> No Change	Coordinating Department: Finance & Strategic Planning  There will be no ongoing operating impact to the DCTA for projects approved under the TRiP Program. The implementation, ownership and maintenance of these projects will be the responsibility of the member city that requests capital assistance under this program.
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> New Project	



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fleet Purchase-Bus  
Project Number: 50311

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.

As a result, it was determined that additional replacement fleet was needed in FY25. The funding will be used to purchase three 40' diesel buses. DCTA sets aside funding each year in reserve accounts so it is not such a big hit when bus purchases need to take place.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	—	—	State Grants	—
2025-26	\$2,040,000	—	—	Federal Grants	\$581,250
2026-27	\$603,000	—	—	Operating Funds	—
Total	\$2,643,000			Total Funding	\$581,250

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Bus Operations  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.
<input checked="" type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> New Project	





Capital Improvement & Major Maintenance Plan | Project Detail

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

Statement of Need / Description

The primary objective of this project is to transition the E-ATC (Enhanced Automatic Train Control) system from basic Positive Train Control (PTC) compliance to full optimization, enhancing both passenger experience and operational efficiency. Key goals include reducing passenger travel time and lowering operational costs by improving dispatch operations.

This project involves fine-tuning the E-ATC system to address delays, aiming to reduce average trip times by at least six minutes through targeted wayside modifications and physical adjustments to the track structure to increase track speed. Additionally, the project will integrate the Train Management Dispatch System (TMDS) with the E-ATC TSR server and update onboard software for the Stadler DMUs, optimizing coordination between dispatch and train control for more efficient operations.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	—	—	State Grants	—
2025-26	\$2,500,000	—	—	Federal Grants	\$4,000,000
2026-27	\$896,274	—	—	Operating Funds	\$1,000,000
Total	\$3,396,274			Total Funding	\$5,000,000

Change from Previous CIP	Project Notes
<input type="checkbox"/> 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.
<input type="checkbox"/> Increase in Amount	
<input checked="" type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> New Project	

# Appendix



Operating &  
Capital Budget

2025





# **Denton County Transportation Authority Financial Management Policies**

## Operational Policies

### Purpose

The Comprehensive Financial Management Policy assembles the Denton County Transportation Authority's (DCTA) financial policies in one document. They are the tools to ensure that DCTA is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of DCTA consistent with provisions of Chapter 460 of the Texas Transportation Code and adopted DCTA Bylaws.

DCTA is accountable to its constituents for the use of public dollars. Resources must be wisely used to ensure adequate funding for the operations, services, facilities, and infrastructure necessary to meet present and future needs. These policies help safeguard the fiscal stability required to achieve DCTA's goals and objectives.

### Review

DCTA Financial Management Policies are presented to the Board of Directors for review, discussion, and approval at the start of each fiscal year.

### Objectives

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

- A. To enable the DCTA Board of Directors (the Board) to establish and manage policy decisions that have significant impact on the agency.
- B. To set forth operating principles that minimize the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provide adequate funding for desired services and programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on DCTA's financial condition.
- F. To protect DCTA's credit rating and provide for adequate resources to meet the provision of DCTA's obligations on all its debt.
- G. To ensure the appropriate use of financial resources through an effective system of written and audited internal controls.
- H. To promote cooperation and coordination with other governments, agencies and the private sector in the financing and delivery of services.
- I. To establish long-term objectives for the financial operations of DCTA.
- J. To ensure an optimum balance between demand for service and resources to provide those services.

## Reserve Fund Policies

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

- A. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (excluding capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- B. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.
- C. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels.
- D. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$0.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year.

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

- A. All transfers for expenses from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- B. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus fleet replacement costs (reflective of anticipated grants) plus an additional \$500,000. (Example - 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 time frame 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 under writing 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.

### 2. 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.

### 3. 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.

#### 4. 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.

#### 5. 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.

#### 6. 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.

### 7. 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.

### 8. 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.

## **9. 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.

#### 10. 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	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.

## 11. 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.

## 12. 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.

## 13. 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.

#### 14. 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.

#### 15. 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.

#### 16. 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.

#### 17. 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

Board Approved Broker/Dealers List



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

<sup>\*</sup> **Bold face font indicates firm is a Primary Dealer.**

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

## **DCTA Budget Contingency Plan**

### **Fiscal Year 2025**

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 (\$820,000)**

- 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 (\$1,230,000)**

- 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 (\$1,640,000)**

- 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actuals
<b>PASSENGERS</b>							
A-train	419,335	393,700	221,316	113,440	175,637	225,235	261,563
Access	30,268	29,714	20,367	16,194	21,184	22,191	25,905
Connect	472,667	569,467	343,588	220,440	130,476	141,872	1,787,397
On Demand Zones	-	8,935	9,032	4,149	-	-	-
RSVP/ Highland Village	4,503	3,551	922	119	-	-	-
GoZone	-	-	-	13,405	615,975	855,280	863,104
North Texas Xpress	8,440	12,804	8,007	4,146	1,920	1,728	2,502
UNT	1,907,035	1,834,402	950,702	461,985	1,019,390	1,443,452	1,568,797
NCTC	13,588	12,797	5,784	-	-	-	-
Frisco	8,884	12,799	5,675	3,002	6,374	8,482	1,311
Collin County Transit	4,781	11,559	10,850	10,808	3,153	-	5,267
Varpool	-	-	-	-	-	-	251,799
<b>TOTAL PASSENGERS</b>	<b>2,869,501</b>	<b>2,889,728</b>	<b>1,576,243</b>	<b>847,688</b>	<b>1,974,109</b>	<b>2,698,240</b>	<b>4,767,645</b>
<b>REVENUE VEHICLE MILES</b>							
A-train	329,551	335,610	289,812	248,928	382,342	383,951	384,822
Access	206,926	185,147	121,244	100,070	148,760	156,957	177,066
Connect	873,956	966,537	774,638	721,116	350,399	226,661	238,119
On Demand Zones	-	25,065	25,581	12,729	-	-	-
RSVP/ Highland Village	91,649	60,811	28,652	48	-	-	-
GoZone	-	-	-	-	2,219,619	3,622,147	3,579,097
North Texas Xpress	100,250	103,798	104,638	96,560	26,226	25,893	26,273
UNT	461,992	444,670	366,438	311,129	401,675	423,233	459,606
NCTC	94,977	83,616	34,492	-	-	-	-
Frisco	70,979	92,005	59,532	25,311	46,452	63,569	72,245
Collin County Transit	42,761	79,163	66,044	64,973	18,903	-	62,059
Varpool	-	-	-	-	-	-	2,041,806
<b>TOTAL REVENUE MILES</b>	<b>2,273,041</b>	<b>2,376,422</b>	<b>1,871,071</b>	<b>1,580,864</b>	<b>3,594,377</b>	<b>4,902,412</b>	<b>7,041,093</b>

## Operational Statistics

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actuals
<b>REVENUE HOURS</b>							
A-train	13,206	13,767	13,177	11,607	18,065	18,139	18,170
Access	16,982	13,327	8,838	7,656	10,937	11,334	12,997
Connect	75,972	81,580	60,248	54,327	27,623	17,635	17,187
On Demand Zones	-	3,749	4,176	2,508	-	-	-
RSVP/ Highland Village	8,463	5,370	2,645	20	-	-	-
GoZone	-	-	-	7,277	116,543	216,563	203,849
North Texas Xpress	3,888	3,866	3,899	3,579	711	1,516	719
UNT	44,727	45,457	36,431	33,223	37,693	37,338	42,365
NCTC	4,769	4,790	2,057	-	-	-	-
Frisco	4,921	6,013	3,652	2,365	4,247	4,245	5,717
Collin County Transit	1,896	4,559	3,457	3,080	992	-	4,541
Vanpool	-	-	-	-	-	-	41,538
<b>TOTAL REVENUE HOURS</b>	<b>174,825</b>	<b>182,478</b>	<b>138,580</b>	<b>125,642</b>	<b>216,812</b>	<b>306,769</b>	<b>347,083</b>
<b>PASSENGERS PER REVENUE HOUR</b>							
A-train	32	29	17	10	10	12	14
Access	2	2	2	2	2	2	2
Connect	6	7	6	4	5	8	13
On Demand Zones	0	2	2	2	-	-	-
RSVP/ Highland Village	1	1	-	6	-	-	-
GoZone	-	-	-	2	5	4	4
North Texas Xpress	2	3	2	1	3	1	4
UNT	48	40	26	14	27	39	37
NCTC	3	3	3	-	-	-	-
Frisco	2	2	2	1	2	2	2
Collin County Transit	3	3	3	4	3	-	1
Vanpool	-	-	-	-	-	-	6
<b>AVERAGE</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>5</b>	<b>7</b>	<b>10</b>	<b>9</b>

## Community Profile: Denton County

### 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: 44
- County Employees Including those in grant programs: 1,987.5
- 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 \$135 million total farm income
  - 81% from livestock, poultry, and products including cattle, sheep/goats, and horses.
  - 19% 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 2024-2025 Operating Budget:  
<https://www.dentoncounty.gov/2024/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: 158,349 (Based on 2023 Estimates)
- Male/Female Ratio: 49.3 Male/50.7 Female
- Median Family Income: \$71,921
- Education: 91.5% 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 2023 Estimates)
- Male/Female Ratio: 52.4 Male/47.6 Female
- Median Household Income: \$162,879
- Education: 98.1% 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: 133,553 (Based on 2023 Estimates)
- Male/Female Ratio: 48.2 Male/51.8 Female
- Median Family Income: \$82,006
- Education: 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. R24-09**

**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 2024-2025, BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025; 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 FY25 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 2024–2025 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 2024-2025, including Change in Net Position, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY25 Budget Contingency Plan, attached as Exhibits "A" through "E", 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.

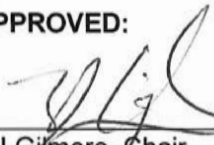
**SECTION 2.** That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2023-2024 are hereby ratified, and the budget for fiscal year 2024-2025, heretofore adopted by resolution of the DCTA Board of 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 22ND DAY OF AUGUST 2024.**

**APPROVED:**

  
\_\_\_\_\_  
TJ Gilmore, Chair

**ATTEST:**

  
\_\_\_\_\_  
Andy Eads, Secretary





### Change in Net Position - no Depreciation

Description	FY 2024 Adopted Budget	FY 2024 Working Budget	FY2025 Proposed Budget	FY 2024/FY 2025 Variance
<b>OPERATING REVENUE</b>				
Passenger Revenues (Bus Farebox)	\$ 220,384	\$ 611,884	\$ 363,000	-40.68%
Passenger Revenues (GoZone Farebox)	865,836	865,836	950,000	9.72%
Passenger Revenues (Rail Farebox)	340,222	340,222	362,312	6.49%
Contract Service Revenue	6,065,584	6,606,086	4,400,615	-33.39%
<b>Total Operating Revenue</b>	<b>\$ 7,492,026</b>	<b>\$ 8,424,028</b>	<b>\$ 6,075,927</b>	<b>-27.87%</b>
<b>GENERAL &amp; ADMINISTRATIVE EXPENSES</b>				
Salary, Wages & Benefits	\$ 4,936,805	\$ 4,929,355	\$ 4,951,999	0.46%
Outsourced Services & Charges	3,290,451	3,268,355	3,560,198	8.93%
Materials & Supplies	218,200	221,700	243,710	9.93%
Utilities	70,970	70,970	173,750	144.82%
Insurance	16,523	16,523	23,500	42.23%
Employee Development	620,869	648,065	686,170	5.88%
Leases	144,138	144,138	175,500	21.76%
<b>Total G&amp;A Operating Expenses</b>	<b>\$ 9,297,956</b>	<b>\$ 9,299,106</b>	<b>\$ 9,814,827</b>	<b>5.55%</b>
<b>BUS OPERATIONS EXPENSES (Bus Admin, Fixed Route, Demand Response)</b>				
Salary, Wages & Benefits	\$ 7,746,369	\$ 7,753,439	\$ 8,795,464	13.44%
Outsourced Services & Charges	1,462,680	1,483,754	972,510	-34.46%
Materials & Supplies	1,837,028	1,779,011	1,984,387	11.54%
Utilities	281,150	281,150	194,800	-30.71%
Insurance	334,829	334,829	394,800	17.91%
Employee Development	90,339	86,989	89,620	3.02%
Leases	7,057	10,057	13,200	31.25%
<b>Total Bus Operations Expenses</b>	<b>\$ 11,759,452</b>	<b>\$ 11,729,229</b>	<b>\$ 12,444,781</b>	<b>6.10%</b>
<b>MOBILITY SERVICES EXPENSES (Lyft, Taxi, GoZone, MaaS, CCR)</b>				
Salary, Wages & Benefits	\$ -	\$ 83,895	\$ 312,204	272.14%
Outsourced Services & Charges	111,571	113,071	148,671	31.48%
Materials & Supplies	-	5,000	6,000	20.00%
Utilities	-	1,200	1,200	0.00%
Purchased Transportation	11,862,228	13,259,864	12,828,274	-3.25%
Employee Development	-	2,500	8,830	253.20%
<b>Total Mobility Services Expenses</b>	<b>\$ 11,973,799</b>	<b>\$ 13,465,530</b>	<b>\$ 13,305,179</b>	<b>-1.19%</b>
<b>RAIL OPERATIONS EXPENSES</b>				
Salary, Wages & Benefits	\$ 378,825	\$ 378,825	\$ 228,624	-39.65%
Outsourced Services & Charges	1,157,659	1,157,659	881,204	-23.88%
Materials & Supplies	1,980,250	1,489,062	1,137,500	-23.61%
Utilities	447,409	378,404	391,822	3.55%
Insurance	1,370,916	1,370,916	1,456,300	6.23%
Purchased Transportation	11,799,631	11,799,631	12,225,184	3.61%
Employee Development	14,215	14,215	10,720	-24.59%
Leases	2,400	2,400	-	-100.00%
<b>Total Rail Operations Expenses</b>	<b>\$ 17,151,305</b>	<b>\$ 16,591,112</b>	<b>\$ 16,331,354</b>	<b>-1.57%</b>
<b>Total Operating Expenses</b>	<b>\$ 50,182,512</b>	<b>\$ 51,084,977</b>	<b>\$ 51,896,141</b>	<b>1.59%</b>
<b>Operating Income/(Loss)</b>	<b>(42,690,486)</b>	<b>(42,660,949)</b>	<b>(45,820,214)</b>	<b>7.41%</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
Investment Income	\$ 2,000,000	\$ 2,000,000	\$ 2,200,000	10.00%
Lease Income	-	-	-	0.00%
Misc. Revenues	10,003,458	-	255,000	0.00%
Sales Tax Revenue	40,000,000	40,000,000	41,000,000	2.50%
Federal Grants & Reimbursements	16,826,328	17,164,728	14,703,218	-14.34%
State Grants & Reimbursements	-	-	-	0.00%
Long Term Debt Interest/Expense	(215,520)	(215,520)	(171,811)	-20.28%
<b>Total Non-Operating Revenue/ (Expense)</b>	<b>\$ 68,614,266</b>	<b>\$ 58,949,208</b>	<b>\$ 57,986,407</b>	<b>-1.63%</b>
Income (Loss) Before Transfers	25,923,780	16,288,259	12,166,193	-25.31%
Transfers Out	(7,001,358)	(7,001,358)	-	-100.00%
Transfers In	7,001,358	7,001,358	-	-100.00%
<b>Total Transfers</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 25,923,780</b>	<b>\$ 16,288,259</b>	<b>\$ 12,166,193</b>	<b>-25.31%</b>

**DENTON COUNTY TRANSPORTATION AUTHORITY - COMBINED**  
Statement of Revenue and Expenditures  
Last Updated: 8/22/24



	Prior Year Actual			Current Year		Proposed Revised 2025	"Adopted 2025"	Variance Proposed / Revised 2025	Variance Proposed / Revised 2025	Variance FY24/FY25
	2021	2022	2023	2024 Adopted	Proposed 2025					
Revenue and Other Income										
Passenger Revenues	\$ 542,920	\$ 928,716	\$ 1,568,793	\$ 1,817,942	\$ 1,675,312	\$ 1,675,312	\$ 1,675,312	\$ -	\$ -	-7.85%
Contract Service Revenues	2,969,330	3,718,416	4,233,303	7,357,786	4,400,615	4,400,615	4,400,615	-	-	-40.19%
Sales Tax Revenues	34,653,779	38,030,250	40,292,936	40,000,000	41,000,000	41,000,000	41,000,000	-	-	2.50%
Federal/State Grants - Capital	1,409,423	95,069	59,828	2,591,429	4,319,818	4,319,818	4,319,818	-	-	66.70%
Federal/State Grants - Operating	15,858,885	19,028,351	9,431,745	14,573,299	10,383,400	10,383,400	10,383,400	-	-	-28.75%
Total Revenues and Other Income	55,434,337	61,800,802	55,586,605	66,340,456	61,779,145	61,779,145	61,779,145	-	-	-6.88%
Operating Expenses										
Salary, Wages and Benefits	9,932,326	9,357,858	9,119,157	13,136,294	14,422,553	14,288,291	14,288,291	(134,262)	-	8.77%
Outsourced Services and Charges	3,396,347	5,022,667	5,831,688	6,001,119	5,562,583	5,562,583	5,562,583	-	-	-7.31%
Materials and Supplies	1,711,684	2,537,867	2,578,069	4,044,978	3,371,597	3,371,597	3,371,597	-	-	-16.65%
Utilities	425,655	455,020	497,792	800,729	761,572	761,572	761,572	-	-	-4.89%
Insurance	1,802,404	1,660,372	1,586,293	1,722,268	1,874,600	1,874,600	1,874,600	-	-	8.84%
Purchased Transportation Services	9,810,849	19,146,955	22,348,013	25,059,495	25,053,458	25,053,458	25,053,458	-	-	-0.02%
Employee Development	95,479	133,208	2,565,240	755,185	783,940	795,340	795,340	11,400	-	5.32%
Leases and Rentals	215,069	132,033	142,445	153,595	188,700	188,700	188,700	-	-	22.86%
Depreciation	9,524,340	11,351,682	9,074,611	11,099,129	10,832,092	10,832,092	10,832,092	-	-	-2.41%
Total Operating Expenses	36,914,153	49,797,663	53,743,308	62,772,792	62,851,095	62,728,233	62,728,233	(122,862)	-	-0.07%
Income Before Non-Operating Revenues and Expenses	18,520,184	12,003,139	1,843,297	3,567,664	(1,071,950)	(949,088)	(949,088)	(122,862)	-	-126.60%
Non-Operating Revenues/(Expense)										
Investment Income	31,178	462,425	4,434,145	2,000,000	2,200,000	2,200,000	2,200,000	-	-	10.00%
Gain (Loss) on Disposal of Assets	42,344	29,719	52,900	-	-	-	-	-	-	-
Other Income/(Expense) - Miscellaneous	460,209	447,462	923,293	10,003,458	255,000	255,000	255,000	-	-	-97.45%
Long Term Debt Interest/Expense	(697,187)	(233,828)	(212,684)	(215,520)	(171,811)	(171,811)	(171,811)	-	-	-20.28%
Total Non-Operating Revenues/(Expenses)	(163,456)	705,778	5,197,654	11,787,938	2,283,189	2,283,189	2,283,189	-	-	-80.63%
Income (Loss) before Transfers to NTMC	18,356,728	12,708,917	7,040,951	15,355,602	1,211,239	1,334,101	1,334,101	(122,862)	-	-91.31%
Transfers Out to NTMC	(6,489,350)	(5,926,669)	(5,577,506)	(7,001,358)	-	-	-	-	-	-100.00%
Total Transfers	(6,489,350)	(5,926,669)	(5,577,506)	(7,001,358)	-	-	-	-	-	-
Change in Net Position	\$ 11,867,378	\$ 6,782,248	\$ 1,463,445	\$ 8,354,244	\$ 1,211,239	\$ 1,334,101	\$ 1,334,101	\$ (122,862)	\$ -	-



RA01 Exhibit C

DENTON COUNTY TRANSPORTATION AUTHORITY FY25 Operating Budget - DRAFT Capital Improvement & Major Maintenance Plan										FY25 Cash Spend FY25 Capital Resen Not DCTA Capital		
Project Name	Project Number	Projects thru FY 2023	Projects in FY 2024	Proposed FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Anticipated Project Total (Thru 2030)		
<b>Bus Services</b>												
Fleet Purchase - Bus	TBD			2,040,000	603,000	8,999,000	3,291,000	3,356,000	3,424,000	21,713,000		
TAM: Fleet Replacement - UNIT			400,000	400,000	500,000	500,000	500,000	500,000	500,000	3,300,000		
TAM: Fleet Replacement - Connect			1,200,000	1,400,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	10,100,000		
Samsara Dual Facing Camera	TBD				25,000	25,000				50,000		
<b>Rail Services</b>												
Positive Train Control Enhancements (Phase 2)	61406.2	1,603,726		2,500,000						4,103,726		
Major Maintenance - Rail FY24	61726		2,368,780							2,368,780		
Major Maintenance - Rail NEW in FY25	TBD			3,130,608	5,859,000	5,488,000	5,660,000	7,324,000	5,359,000	32,820,608		
RailComm Dispatch Software - NEW in FY25	TBD			500,000	300,000					800,000		
TAM: Major Maintenance - Rail			1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	12,600,000		
Roof Replacement					650,000					650,000		
<b>G&amp;A Services</b>												
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	1,200,000	3,300,000	3,852,250				11,604,240		
ERP Implementation	10408	500,000		1,600,000						2,100,000		
Server Infrastructure Refresh	10409	450,000						500,000		950,000		
Electronic Safety & Security Program	10411			3,888,000	1,878,000					5,766,000		
Fiber Optic Network - Locate & Improvements-NEW in FY25	TBD			278,000	175,000					453,000		
Project Management Software & Implementation-NEW in FY25	TBD			112,000						112,000		
Fleet -Non-Revenue (2 SUV's)	TBD			80,000						80,000		
Stadler Laptop Replacement	TBD				80,000					80,000		
FUTURE: Backup & DR Infrastructure Upgrades						45,000				45,000		
<b>Transportation Reinvestment Program (TRIP)</b>												
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		
TRIP Program Funding - FY25	TBD			5,967,542	7,260,945	4,834,611	4,435,572	2,758,603	2,390,064	5,967,642		
FUTURE: TRIP Program Funding										21,679,794		
<b>TOTAL CAPITAL BUDGET</b>												
		\$ 33,314,091	\$ 17,782,913	\$ 24,895,250	\$ 23,280,945	\$ 27,693,861	\$ 17,311,572	\$ 17,738,603	\$ 14,973,064	\$ 176,991,296		

DENTON COUNTY TRANSPORTATION AUTHORITY  
Long Range Financial Plan  
Fiscal Year 2025 Proposed

#	Adopted FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	Proposed FY2035	Proposed FY2036	FY2024-FY2036
1	\$ 94,654,688	\$ 83,097,819	\$ 74,182,763	\$ 61,994,942	\$ 53,377,019	\$ 48,012,817	\$ 43,838,042	\$ 40,590,968	\$ 38,577,216	\$ 38,344,605	\$ 42,419,736	\$ 43,576,050	\$ 40,946,232	\$ 705,981,796
<b>OPERATING REVENUES</b>														
2	1,426,442	1,675,312	1,882,065	1,708,868	1,726,076	1,743,336	1,760,770	1,778,377	1,796,161	1,814,123	1,832,264	1,850,587	1,869,093	22,673,591
3	6,065,584	4,400,615	4,554,637	4,714,049	4,879,041	5,049,807	5,226,550	5,409,479	5,598,811	5,794,770	5,997,587	6,207,502	6,424,765	70,323,195
<b>NON-OPERATING REVENUES</b>														
4	40,000,000	41,000,000	41,820,000	42,656,400	43,509,528	44,379,719	45,267,313	46,172,659	47,096,112	48,038,035	48,998,795	49,978,771	50,978,347	589,895,679
5	14,573,299	10,383,400	10,584,838	10,790,184	10,995,513	11,212,804	11,430,434	11,652,165	11,878,237	12,108,675	12,343,583	12,583,048	12,827,160	153,367,461
6	2,000,000	2,200,000	2,506,600	2,213,220	2,218,859	2,226,519	2,233,199	2,239,888	2,246,618	2,253,604	2,261,027	2,273,685	2,282,760	28,862,609
7		255,000	257,500	260,126	262,727	265,354	268,008	270,688	273,395	276,128	278,890	281,679	284,485	3,234,038
8	6,465,525	69,814,327	61,185,000	62,342,264	63,993,244	64,977,639	66,193,273	67,523,297	68,879,324	70,267,335	71,715,745	73,125,572	74,606,639	688,295,574
<b>OPERATING EXPENSES</b>														
9	13,051,999	14,288,291	14,859,823	15,454,216	16,072,384	16,715,280	17,383,891	18,079,246	18,802,416	19,554,513	20,336,983	21,150,181	21,996,148	227,784,080
10	6,022,302	5,562,583	5,673,835	5,787,311	5,903,058	6,021,119	6,141,541	6,264,372	6,389,659	6,517,453	6,647,602	6,780,258	6,915,373	60,528,164
11	4,035,478	3,371,597	3,430,029	3,507,810	3,577,966	3,649,525	3,722,516	3,796,968	3,872,905	3,950,323	4,029,371	4,109,258	4,192,157	40,555,639
12	23,661,859	25,053,458	25,405,062	26,579,214	27,376,590	28,197,848	29,043,824	29,915,139	30,812,593	31,736,971	32,689,080	33,669,753	34,679,845	379,221,276
13	3,400,815	3,820,212	3,892,616	3,766,469	3,841,796	3,918,624	3,997,007	4,076,947	4,158,466	4,241,655	4,326,488	4,413,018	4,501,279	51,955,423
14														
15	215,520	171,611	151,102	130,108	108,779	87,166	65,253	43,005	20,444	-	-	-	-	983,185
16														
17	50,182,433	51,898,141	53,470,364	55,094,919	56,771,795	58,502,445	60,344,031	62,182,679	64,036,603	66,000,855	68,056,634	70,225,692	72,507,134	788,115,502
18	13,882,872	8,018,186	7,645,325	7,247,545	6,824,948	6,375,184	5,832,243	5,347,812	4,832,831	4,296,360	3,686,312	(548,819)	(1,290,484)	72,139,534

DENTON COUNTY TRANSPORTATION AUTHORITY  
Long Range Financial Plan  
Fiscal Year 2025 Proposed

#	Account	Adopted FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	Proposed FY2035	Proposed FY2036	FY2024-FY2036
<b>CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>															
19	Reserve for Fleet Replacement (TAM) - Bus	1,600,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	25,600,000
20	Professional Services / Technology Improvements	3,635,000	5,950,000	2,053,000	-	125,000	-	899,999	899,999	899,999	899,999	899,999	899,999	899,999	16,802,245
21	Reserve for Major Maintenance Items (TAM) - Rail	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	23,400,000
22	Major Maintenance Items - Rail	2,364,780	3,130,608	5,859,000	5,488,000	5,660,000	7,324,000	5,359,000	5,573,360	1,999,999	1,999,999	1,999,999	1,999,999	1,999,999	50,762,743
23	Capital Improvement Items - Rail	500,000	300,000	650,000	500,000	500,000	-	-	-	-	-	550,000	-	-	2,500,000
24	Capital Improvement Items - Bus & Bus Ops Projects	359,783	105,000	70,000	-	-	-	180,000	-	100,000	-	-	100,000	-	882,783
25	Fleet Purchase - Bus/Rail	2,040,000	602,000	8,998,000	3,291,000	3,356,000	3,424,000	15,000,000	15,000,000	16,000,000	-	-	-	-	69,213,000
26	Positive Train Control	3,396,274	2,500,000	-	-	-	-	-	-	-	-	-	-	-	5,896,274
27	Infrastructure Acquisition - Old Town Transit Oriented Development	634,581	1,200,000	-	-	-	-	-	-	-	-	-	-	-	8,987,231
28	Infrastructure Acquisition - Old Town Transit Oriented Development	11,459,859	-	-	-	-	-	-	-	-	-	-	-	-	11,459,859
29	Joint Rail Operations Facility (JROF)	10,428,162	5,967,542	-	4,935,572	2,758,003	-	2,390,064	-	-	-	-	-	-	38,076,508
30	Transportation Reinvestment Program (TRIP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MAINTENANCE</b>	<b>35,703,520</b>	<b>24,818,250</b>	<b>27,863,945</b>	<b>27,893,861</b>	<b>17,311,572</b>	<b>17,738,803</b>	<b>14,972,064</b>	<b>25,553,339</b>	<b>22,293,998</b>	<b>22,017,240</b>	<b>2,548,998</b>	<b>8,893,998</b>	<b>6,887,998</b>	<b>252,028,824</b>
32	<b>TOTAL CAPITAL OUTLAY &amp; MAJOR MINTN LESS TAM RESERVES</b>	<b>32,303,520</b>	<b>21,294,250</b>	<b>19,449,945</b>	<b>22,893,861</b>	<b>13,911,572</b>	<b>15,938,803</b>	<b>11,173,064</b>	<b>21,753,358</b>	<b>18,498,998</b>	<b>18,231,240</b>	<b>1,549,998</b>	<b>3,099,998</b>	<b>3,887,998</b>	<b>1,651,036,498</b>
33	<b>TOTAL CAPITAL MAINTENANCE &amp; OPERATING EXPENSES</b>	<b>65,646,382</b>	<b>76,792,391</b>	<b>76,751,259</b>	<b>62,788,879</b>	<b>74,883,357</b>	<b>76,241,648</b>	<b>75,327,095</b>	<b>87,729,634</b>	<b>86,356,091</b>	<b>88,832,264</b>	<b>73,379,432</b>	<b>80,675,090</b>	<b>82,845,132</b>	<b>1,651,036,498</b>
<b>CAPITAL SOURCES</b>															
34	Capital Grants - Programmed	1,618,048	4,319,818	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	17,157,866
35	Capital Grants - Discretionary	-	-	7,198,200	2,832,800	2,864,800	2,739,200	12,000,000	12,000,000	12,400,000	12,800,000	-	-	-	52,556,000
36	Capital Grants - Old Town	634,581	-	-	-	-	-	684,800	3,000,000	3,100,000	3,200,000	-	-	-	634,581
37	Use of Capital Reserves	2,040,000	600,000	1,709,600	658,200	671,200	-	-	-	-	-	-	-	-	15,757,000
38	Capital Reimbursement - DART JROF	10,003,458	-	-	-	-	-	-	-	-	-	-	-	-	10,003,458
39	<b>TOTAL CAPITAL SOURCES</b>	<b>12,256,487</b>	<b>6,139,816</b>	<b>1,623,800</b>	<b>10,019,800</b>	<b>4,311,800</b>	<b>4,318,800</b>	<b>4,444,800</b>	<b>18,019,800</b>	<b>18,520,800</b>	<b>17,020,800</b>	<b>1,620,800</b>	<b>1,620,800</b>	<b>1,620,800</b>	<b>86,809,393</b>
<b>DEBT SERVICE</b>															
40	2020 Series Refunding Bonds	967,467	844,755	930,142	916,628	898,163	874,798	861,581	833,413	2,065,444	-	-	-	-	9,316,388
41	2021 Series Refunding Bonds	1,024,832	1,038,056	1,055,950	1,073,480	1,090,816	1,112,368	1,128,672	1,154,592	-	-	-	-	-	9,316,388
42	<b>TOTAL DEBT SERVICE</b>	<b>1,992,299</b>	<b>1,882,811</b>	<b>1,986,092</b>	<b>1,990,108</b>	<b>1,989,079</b>	<b>1,987,166</b>	<b>1,990,253</b>	<b>1,988,005</b>	<b>2,065,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,994,964</b>
43	Internal Debt Service Coverage	6.97	4.04	3.86	3.64	3.43	3.21	2.83	2.68	2.32	N/A	N/A	N/A	N/A	-
44	Outstanding Bond Principal as of September 30th	15,225,000	13,410,000	11,575,000	9,715,000	7,835,000	5,935,000	4,910,000	2,065,000	-	-	-	-	-	-
45	Audio Ad Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	<b>ENDING FUND BALANCE</b>	<b>\$ 83,087,819</b>	<b>\$ 74,182,763</b>	<b>\$ 61,994,042</b>	<b>\$ 53,377,019</b>	<b>\$ 40,012,817</b>	<b>\$ 43,838,042</b>	<b>\$ 40,560,068</b>	<b>\$ 38,677,216</b>	<b>\$ 39,344,605</b>	<b>\$ 42,419,736</b>	<b>\$ 43,576,050</b>	<b>\$ 40,346,232</b>	<b>\$ 37,587,740</b>	<b>-</b>
47	Less Required Fund Balance (OAM Reserve Policy)	12,545,613	12,974,035	13,367,891	13,773,755	14,182,840	14,626,811	15,088,508	15,543,919	16,014,126	16,500,239	17,007,359	18,431,273	18,980,263	-
48	Less Sales Tax Stabilization Fund	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	-
49	Less Fuel Stabilization Fund	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	240,329	-
50	Less Capital/Infrastructure Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	<b>NET AVAILABLE FUND BALANCE</b>	<b>\$ 68,102,877</b>	<b>\$ 59,738,399</b>	<b>\$ 47,185,822</b>	<b>\$ 38,874,244</b>	<b>\$ 30,589,648</b>	<b>\$ 27,631,710</b>	<b>\$ 24,031,231</b>	<b>\$ 21,588,768</b>	<b>\$ 21,668,207</b>	<b>\$ 24,229,827</b>	<b>\$ 24,849,366</b>	<b>\$ 20,766,267</b>	<b>\$ 16,319,777</b>	<b>-</b>
52	<b>RESERVES FOR CAPITAL PROJECTS (cumulative total)</b>	<b>3,400,000</b>	<b>7,000,000</b>	<b>8,700,000</b>	<b>11,957,000</b>	<b>13,867,200</b>	<b>17,098,000</b>	<b>20,227,800</b>	<b>21,543,000</b>	<b>20,543,000</b>	<b>19,443,000</b>	<b>18,243,000</b>	<b>20,343,000</b>	<b>22,431,000</b>	<b>-</b>
53	Use of Capital Reserve Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	<b>CAPITAL RESERVE BALANCE</b>	<b>\$ 3,400,000</b>	<b>\$ 4,960,000</b>	<b>\$ 8,157,000</b>	<b>\$ 10,157,000</b>	<b>\$ 13,299,000</b>	<b>\$ 16,427,800</b>	<b>\$ 19,543,000</b>	<b>\$ 18,543,000</b>	<b>\$ 17,443,000</b>	<b>\$ 16,343,000</b>	<b>\$ 15,243,000</b>	<b>\$ 20,343,000</b>	<b>\$ 22,431,000</b>	<b>-</b>

### DCTA Budget Contingency Plan Fiscal Year 2025

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 (\$820,000)

- 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 (\$1,230,000)

- 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 (\$1,640,000)

- 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 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

## 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.





# **DCTA**

DENTON COUNTY  
TRANSPORTATION AUTHORITY

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