



DENTON COUNTY
TRANSPORTATION
AUTHORITY



Operating &
Capital Budget

2026

Operating & Capital Budget

Fiscal Year 2026



Denton County Transportation Authority
1955 Lakeway Drive, Suite 260, Lewisville, Texas 75057
DCTA.net

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DENTON COUNTY
TRANSPORTATION
AUTHORITY

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.

FY26 Strategic Goals

- Develop and deliver transportation offerings that meet expectations of Denton County stakeholders
- Provide exceptional client service through the full cycle of transportation engagement - 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

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, 2024

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, 2024. FY 2024 is the 19th 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

2026



December 31, 2025

Dear Judge Eads and Members of the Board:

We are pleased to present to you the Fiscal Year 2026 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 2026, its 24th year of service in Denton County, with solid financial reserves, healthy revenue from local sales tax, and continued strong ridership performance. 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	\$54,251,832
Capital	\$26,062,345
Debt Service	\$1,986,102
Year-end 9/26 Fund Balance	\$21,452,334

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.

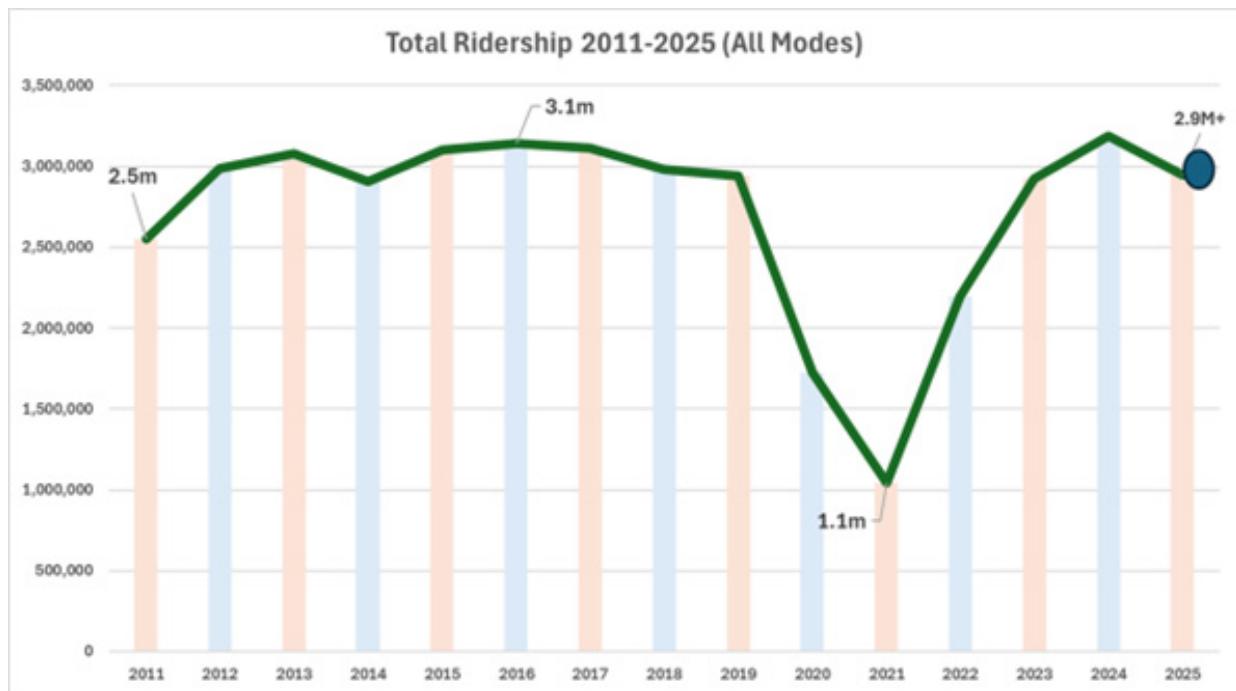
In June through August, staff and the Board of Directors reviewed reserve fund policies and escalation assumptions used in the development of the Long-Range Financial Plan as well as developed and reviewed revenue projections, operating expenses, and capital requirements.

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 FY26 Operating and Capital Budget, the updated Long-Range Financial Plan, and the Budget

Contingency Plan at the August 2025 meeting.

DCTA's ridership performance in FY2025 remained strong. While overall ridership took a small step backward from its record high in FY2024, a closer look at the numbers illustrates encouraging results. First, the ridership decline was driven primarily by a decline in UNT ridership due to lower student enrollment. However, ridership on the agency's core services to its Member Cities was up nearly 8% year over year, the fourth consecutive year of ridership growth. Second, the data-driven investment in fixed route service and re-allocation of microtransit service to Lewisville and Highland Village enabled ridership to increase in all three cities. In Denton, fixed route increased 59% and Highland Village and Lewisville saw GoZone ridership increases of 15% and 12%, respectively. Finally, while 2.9 million passenger trips is consistent with 2019 ridership levels, it is noteworthy that DCTA is operating fewer Connect routes in Denton and Lewisville and fewer UNT routes than it was in that period. This performance is evidence of DCTA's efficiency efforts taking hold, building a strong foundation for future ridership growth.

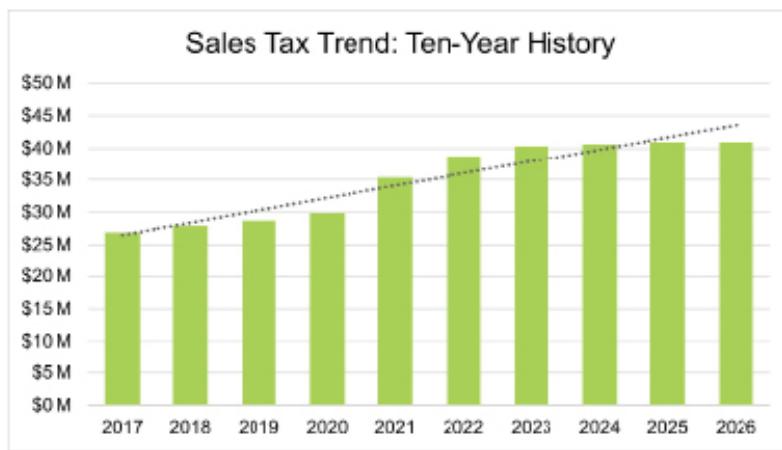


FY25 Ridership Performance by Mode

	2024	2025	Change
UNT	1,567,710	1,202,321	-23.3%
Connect	216,098	342,841	58.7%
Non-Connect	2,502	2,429	-2.9%
A-Train	261,426	277,028	6.0%
GoZone	863,073	832,407	-3.6%
Access	25,327	31,912	23.4%
Vanpool	253,236	258,542	2.0%
TOTAL	3,189,372	2,947,480	-7.6%
Non-UNT Total	1,621,662	1,745,159	7.6%

The FY26 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 budget enabled DCTA to continue to see healthy growth across its core services to Member Cities. The Connect service saw the largest ridership gain at 58% year over year. The decrease in UNT ridership is a direct result of lower student enrollment. DCTA has and will continue to utilize data-driven metrics to optimize our modal offerings to maximize efficiency.

Sales tax represents the single largest source of revenue for DCTA, and the agency has experienced consistent 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, which is level to the FY25 budget.



DCTA's operating budget experiences many 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, the fuel budget IN FY 2026 was reduced overall as historical usage trends have stabilized, enabling closer alignment with anticipated actual results.

Our DCTA employees are essential to our success as an agency. The agency works diligently to maintain adequate staffing to execute the operation efficiently. The agency continues to stabilize since its significant transformation. In 2024, DCTA terminated the ILA that existed between DCTA and NTMC for bus service and brought the operation in-house. Fiscal Year 2025 marked the first full year that bus operators and related support staff were employees of DCTA and offered the same employment benefits as other DCTA employees. No new positions are included in the FY 2026 budget and the agency's continued focus on alignment with the priorities of our Board of Directors, clear goals and objectives, performance management, and accountability will ensure we continue to move forward.

The FY 2026 budget reflects healthy, efficient investment in each of our modes – commuter rail service, fixed route bus services, on-demand micro-transit services, paratransit demand response, general demand response, commuter vanpools, and the UNT Campus Shuttle service – to continue our positive ridership growth trend. A brief commentary on our modal spend is provided below.

A-train

Commuter rail ridership on the A-train continues to rebound from the pandemic, up 5.9% year over year (FY25 over FY24), 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 FY 2026 budget contains a capital maintenance budget of \$3.4M, reflecting the needs of an aging rail vehicle fleet. The budget also anticipates continued planning and design work to increase speed and frequency on the A-train on its current alignment, extend it to Downtown Carrollton to meet the DART Silver Line service, and ultimately enable 15-minute peak service frequency. 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 headways, yielded significant ridership growth across the entire Connect Network. Overall, Routes 3, 6 & 7 saw a network ridership increase of 58% last year. This budget continues the same level of service on Connect Routes 3, 6, and 7 to allow ridership growth on the bus network to continue. The next phase of the Intermediate Service Plan, anticipated to be considered in Spring 2026 for implementation in the Fall, may yield recommendations for additional bus frequency investment, enabling the transition of GoZone riders in these areas to the bus network to fixed route, which has proven to be a more cost-effective means to move passengers when certain 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. However, ridership on the service decreased in FY25 by approximately 23% year due to a marked decline in enrollment. 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 ensuring the true operating cost of the Bus and GoZone services are reflected in DCTA's Interlocal Agreement with UNT for the service. This dialogue has enabled DCTA to eliminate several bus routes in the last two years, often consolidating multiple routes into one to become more efficient and enhance service to riders. In addition, UNT agreed to an additional increase in the contract rate paid to DCTA for service in FY2026. The three partners have committed to further conversation in FY 2026 that could enable further steps 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 decrease 3.6% last year. This decrease was anticipated through implementation of Intermediate Service Plan Phase I, in which Go Zone service was removed within a 1/4-mile radius of the Connect network and geofenced service boundaries were expanded and established at University of North Texas and Texas Woman's University, respectively. The GoZone capacity saved by these changes enabled

additional Go Zone service to be deployed to the Cities of Lewisville and Highland Village. In summer 2025, DCTA acted on feedback from its Board of Directors to consider enhanced KPI performance for “Wait Time” and “Seat Unavailability” in those cities. Careful management of capacity enabled some progress to be made on that goal without additional operating cost. This year’s budget funds the same level of service hours DCTA system. We expect that ridership will stay generally consistent on the service this year and staff will provide recommendations in 2026 along with the next phase of the Intermediate Service Plan to fully achieve the KPI enhancements sought by the Board.

DCTA also operates several contracted services utilizing a microtransit model to help riders get to work and other essential appointments. The FY26 budget features continued funding of micro-transit solutions in Coppell, Frisco and Allen and Fairview through the Collin County Rides program, continuing successful relationships with those cities. These cost of these services are fully reimbursed to DCTA and also include an administrative fee, per Board financial policy.

Vanpool

Finally, DCTA’s Vanpool program serves seven counties in the DFW metroplex. The service realized a 2% ridership increase from 2024 to 2025, totaling over 255,542 trips. The Vanpool operating budget provides funding to accommodate additional growth in the program and is 100% reimbursable to DCTA.

TRiP Program

The Transportation Reinvestment Program (TRiP) facilitates partnerships between the agency and its member cities on mutually beneficial investments in transit-supportive projects by allowing DCTA to distribute funds to member cities for eligible projects consistent with DCTA’s Long-Range Service Plan and the agency’s enabling legislation. This important program will also continue this year, for its fifth year. The annual TRiP budget is 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 accordance with Board policy. The TRiP budget this year is \$3.7M and the Board of Directors will determine the amount of that budget that will be made available to Cities under the program in FY2026.

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. DCTA’s focus on ridership results has continued to yield strong, cost-effective outcomes that position the agency for future growth. We thank the Board of Directors for their support and leadership through this process and our dedicated staff who make it possible for DCTA to serve our Member Cities and Denton County.

Sincerely,



Paul A. Cristina, P.E.
Chief Executive Officer

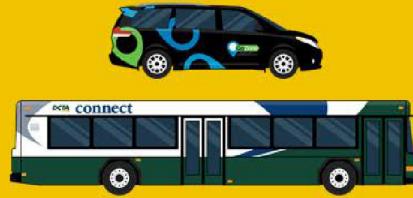


Jane Filarowicz
Senior Manager, Budget & Grants

Foundational Benefits

Foundation

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



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

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



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



Dedicated and consistent financial stewardship, transparency and operational readiness

Financial Stewardship

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

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

Leadership

- Refine and implement comprehensive long range financial plan on a 20-year time horizon
- Progress major initiatives including:
 - Old Town Lewisville Transit-Oriented Development
 - A-train Enhancement Program including velocity increase, extension to Downtown Carrollton, expansion of service hours, and infrastructure to enable 15-minute peak frequency
 - New fare policy and fare collection technology study
 - Finalize Finance and Human Resources Enterprise Resource Program
- Continued focus and improvement on KPIs for safety and service performance across all modes
- Implement data warehouse solution to enable automated reporting and data visualization
- Implement the Board's newly-adopted "New Member and Contracted Services Policy" in current and future contracted services opportunities
- Position Board for decision and be prepared to implement Intermediate Service Plan Phase III to continue modal optimization
- Understand cost of service across all modes and develop alternatives to optimize and reduce costs
- Provide training and development to grow leaders in the organization and enable retention of key talent

Workforce Development

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

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

Board of Directors

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

Policy and Administration

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

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

Board of Directors – Non-Voting Members

Dennie Franklin	Frisco
Jeremie Maurina	The Colony
Stephen Christo	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
Jackie Bronson - Vice President Engagement & Administration
Austin Frith - Vice President of Planning and Development
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 roadmap. Work on this roadmap will continue in FY 2026.

Diversity

Services



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. DCTA will follow new guidelines for socially and economically disadvantaged.

Innovation

Completed 3 million rides and four years of service with the Go-Zone on-demand rideshare service, offering member cities safe, convenient and affordable mobility options



Went live with a new enterprise resource planning (ERP) for Finance



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 3 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, 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.



Rail



Bus



Paratransit



Vanpool



On-Demand



Services

Agency Milestones



Formed in 2002, DCTA is Denton County's primary transportation agency, providing modern transportation services to residents and continuously striving to meet the growing need for transportation solutions. Below are key milestones DCTA has achieved since its inception:

● 2002	Denton County voters overwhelmingly approve the creation of DCTA
● 2003	Denton, Lewisville and Highland Village vote to join DCTA and levy a half-cent sales tax to finance the system
● 2005	The University of North Texas (UNT) and DCTA sign an agreement for a new shuttle bus system to serve the University
● 2006	DCTA begins Connect Bus service in the City of Denton
● 2009	DCTA starts A-train construction and breaks ground on four rail stations - Hebron, Old Town, Highland Village/Lewisville, and MedPark
● 2011	DCTA's 21-mile A-train commuter rail line launches service to the public
● 2012	The Federal Railroad Administration (FRA) approves first integrated use of Stadler GTW rail vehicles for DCTA - the first of its kind in the United States
● 2013	The A-train exceeds one million passengers
● 2016	DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro, providing service to north Fort Worth
● 2017	DCTA launches support for the Transit mobile app, providing riders with real-time tracking information for A-train, Connect, and UNT Campus Shuttle vehicles
● 2018	DCTA becomes the first transit agency in Texas to begin testing federally-mandated Positive Train Control (PTC)
● 2019	DCTA expands transit offerings with the new Mobility as a Service (MaaS) contract model (one of the first of its kind in the United States)
● 2021	DCTA launches GoZone, its on-demand rideshare service, providing customers with tailored rides in Denton, Lewisville, and Highland Village
● 2023	GoZone achieves one million completed rides in 18 months of service
2024	DCTA hit 3.2 million trips in FY24 marking the best ridership in the agency's history
● 2025	DCTA initiated the A-Train enhancement program; phase 1 of ISP was successful; and went live on a new Finance ERP

A-train Facts



Five A-train Stations



DDTC



MedPark



HV/LL



Old Town



Hebron

21 Miles of Track



19 Miles of A-train Rail Trail

11 Trains in Fleet

- Weekdays Every Half-Hour
- Saturdays Every Hour

966

Average **Weekday** Boardings

587

Average **Saturday** Boardings

5,328

Average **Weekly** Boardings

23,086

Average **Monthly** Boardings

277,028

Total **FY 2025** Ridership

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, Blue, and Silver 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 (DDTC) to the Hebron station in Lewisville. Along the Rail Trail, the general public can access the Denton Branch Rail Trail, as well as the Lewisville and Highland Village trails.

History

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

Bus & Mobility Service Facts



Bus Services Overview

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

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

43 Vehicles in Fleet

- 3 Connect Routes
- 29 Bus Shelters
- 9 UNT Routes
- 145 Bus Stops

21,494 Average Weekly Boardings	128,966 Average Monthly Boardings	342,841 Connect FY 2025 Ridership	1,202,321 UNT Shuttle FY 2025 Ridership	1,547,591 Total Bus FY 2025 Ridership
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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.

GoZone Facts



GoZone Overview

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

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

17,342 Average Weekly Boardings	69,367 Average Monthly Boardings	832,407 GoZone FY 2025 Ridership
80 Vehicles in Fleet	Average Wait Times (Goal: < 24 Minutes) <ul style="list-style-type: none">• 23.8 Minutes: Denton zone• 22.1 Minutes: Lewisville/Highland Village zone	

GoZone Milestones

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



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

87% of GoZone riders use it for essential trips such as healthcare, grocery stores, school, or work	58% of GoZone riders report their annual income as less than \$25,000	75% of GoZone riders say they would be disappointed if they could no longer use the service	83% of GoZone riders do not own a personal vehicle
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Fares at a Glance

Fare Structure

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

Discounted and Free Fares

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

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

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

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

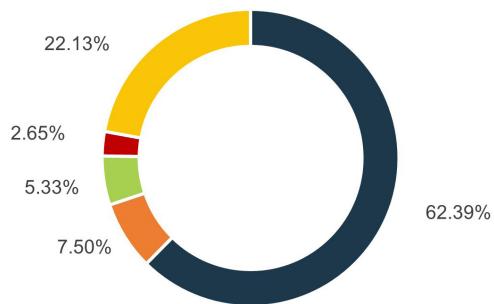
Financial Stability

General Finance Snapshot

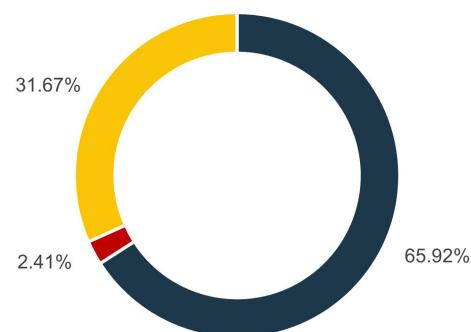
DCTA's consistent dedication to ensuring transparency of the agency's financial records has earned high marks at both the state and national level.

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.

Where Our Money Comes From
\$65,711,722



Where Our Money Goes
\$82,300,279



- Sales Tax Receipts (\$41.0 M)
- Investment Income (\$3.5M)
- Federal Grants & Reimbursements (\$14.5M)
- Contract Service Revenues (\$4.9M)
- Passenger Revenue (\$1.7M)
- Operating Expenses (\$54.2M)
- Capital Expenditures (\$26.0M)
- Debt Payments (\$1.9M)

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 opportunity because Denton County is the seventh most-populated county in Texas and is among the top 5 fastest-growing counties in the nation. Moreover, our contracted services efforts in several Collin County cities are gaining momentum and DCTA is effectively positioned to provide solutions there as well.

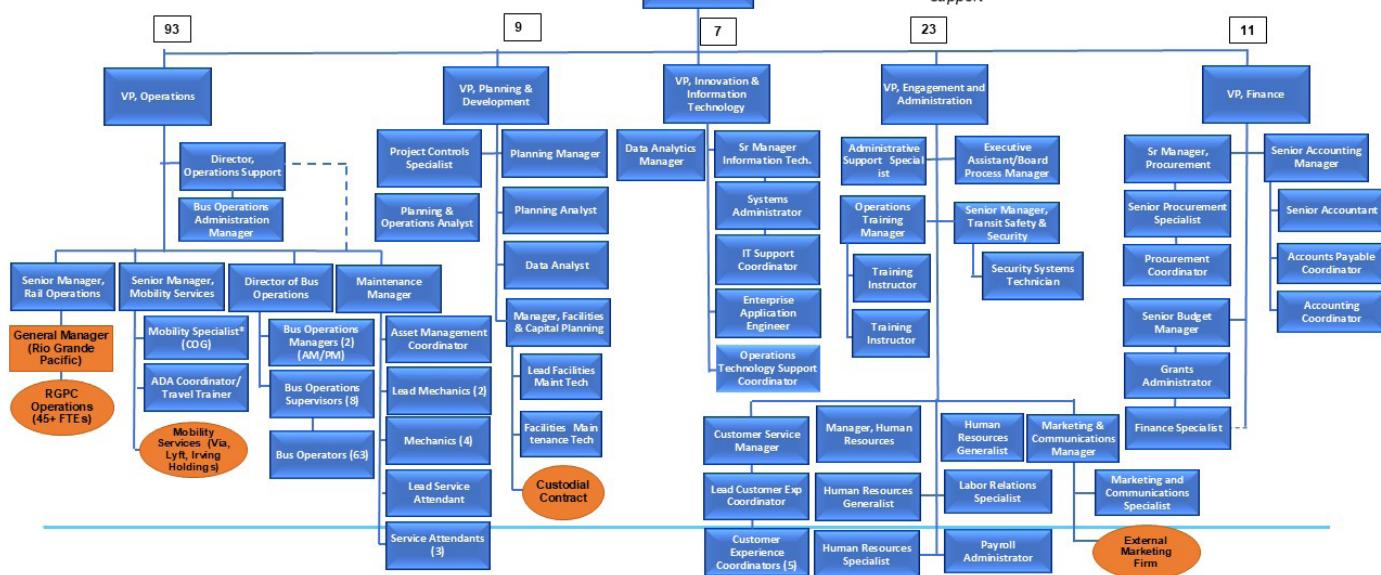
In FY 2025, DCTA marked several significant achievements, as listed in the highlights below:

- Annual ridership exceeded 2.9 million passengers' system-wide, with ridership across DCTA's member cities up nearly 8% year over year.
- Every city on the DCTA network saw ridership increases as a result of our Intermediate Service Plan Phase 1, our data-driven modal optimization effort between fixed route and microtransit service's. Connect Bus operations in Denton had a 58.7% increase in ridership while Lewisville and Highland Village GoZone ridership increased 12% and 15% year over year, respectively.
- Completed more than 3 million trips within the first four years of service for the GoZone on-demand rideshare service, offering member cities a safe, convenient, and accessible mobility option for their communities.
- DCTA Vanpool program to seven counties in DFW metroplex, carrying more than 258,000 passengers and increasing overall ridership by 2% in FY 2025.
- A-Train ridership grew 6% from FY2024, carrying more than 277,000 passengers.
- The ambitious A-train Enhancement program is underway with design and planning services progressing to begin the first phase of implementation in FY2026.
- DCTA re-solicited all contracts in its Mobility Services portfolio and awarded new contracts to six different providers, enabling a cost-effective suite of options for future service changes and opportunities.
- Dialogue with University of North Texas enabled a contract amendment to realize an additional 5.4% in revenue for DCTA in FY2026.
- DCTA executed a purchase order for three new buses to begin its fleet replacement program, its first new bus purchase since 2016.
- DCTA won a federal discretionary grant awarded for new bus purchase.
- DCTA launched a new Finance Enterprise Reporting Program (ERP) in April.
- DCTA received a flawless triennial audit with no findings from the Federal Transit Administration.

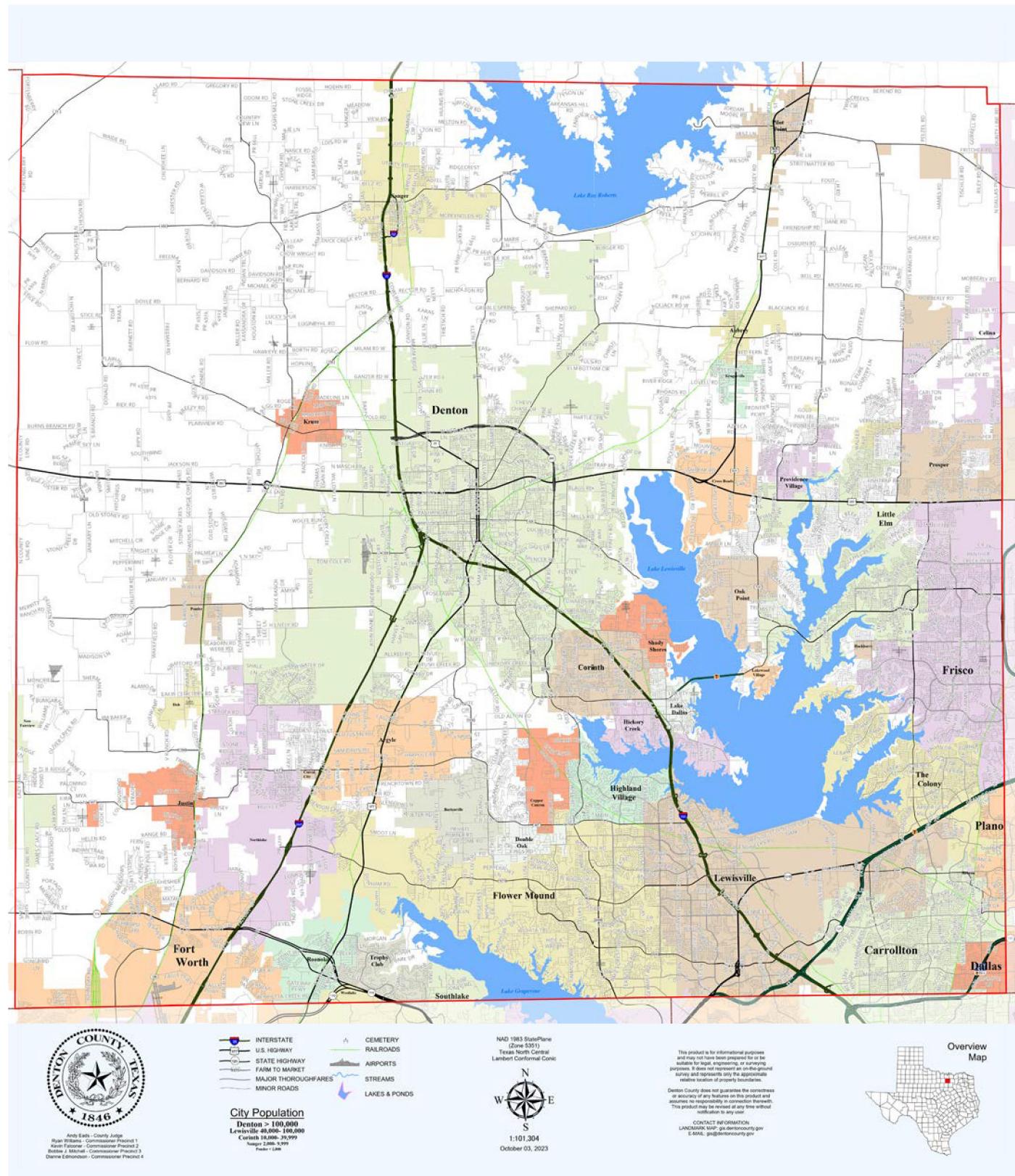
DCTA Organizational Structure FY2026 Adopted

	FY24	FY25	FY26
DCTA	44	45*	143*
NTMC TRANSITION	96	98	0
TOTAL	140	143	143

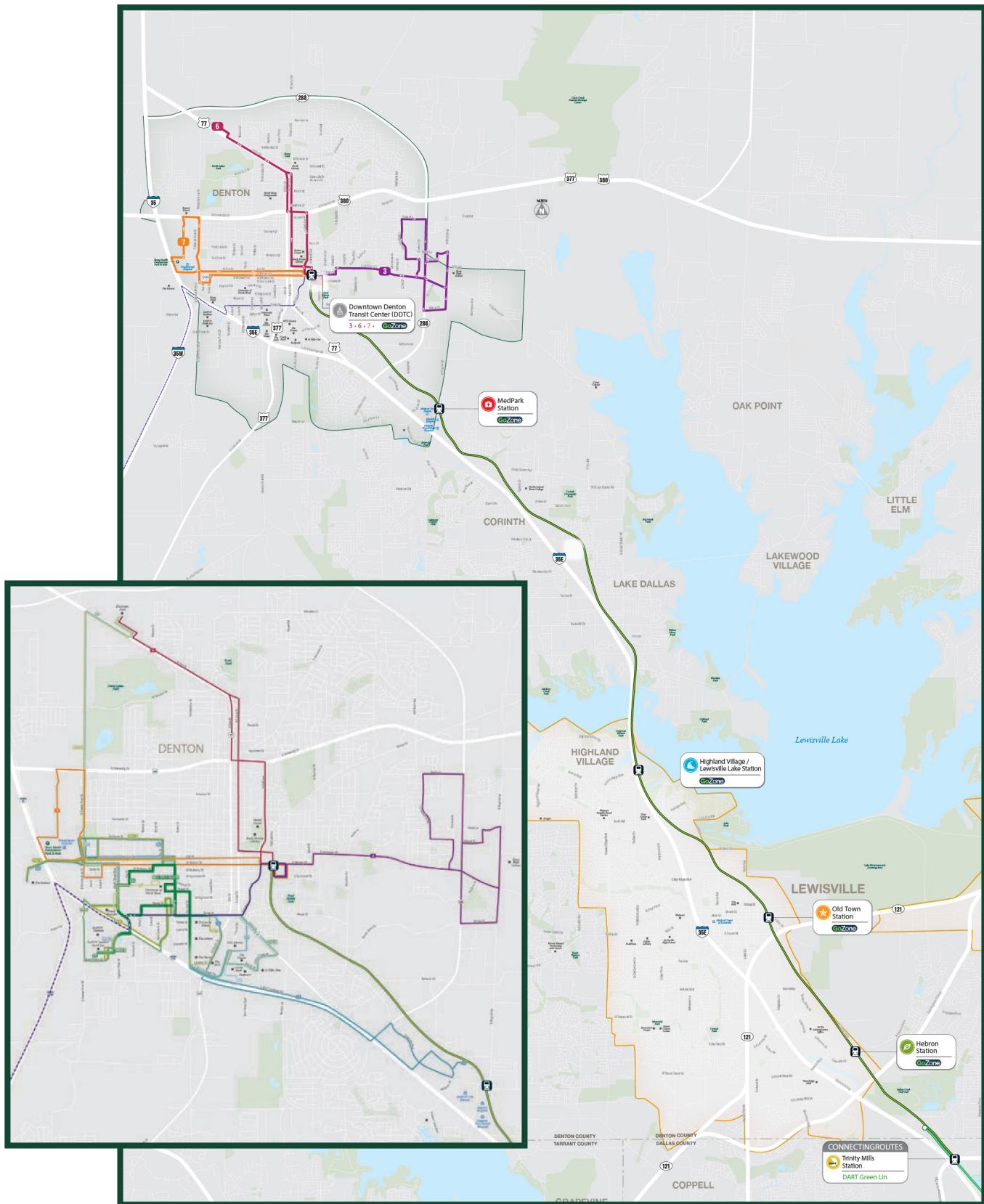
* Includes 1 position funded by NCTCOG for Collin County Rides support



Denton County Map



Service Area Map



Operating Budget Summary



Operating &
Capital Budget

2026

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, and 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 is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. The budget can be adjusted during the budget period should unforeseen events require changes to the original budget plan. DCTA staff will 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 dissolved. Beginning in FY2025, the Authority now reports DCTA's financial condition and results of operations as one unit.

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

Budget Preparation

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

1. Goals, Objectives, and Performance Measures

Overall agency goals as well as corresponding department objectives and performance measures are developed for the upcoming fiscal year.

2. Revenue Projections

Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.

3. Operating Expenses and Expanded Level Projects

The base operating budget which maintains the current service level is identified. Any new projects, plans for expansion, or increased service delivery that are above and beyond the current service level are proposed as an Expanded Level Project. These are expenses that are generally classified as "one-time" or "out of the ordinary" expenses.

The executive staff reviews all requests and determines which projects would best address the agency's needs and should be included in the operating budget.

4. Capital Budget and Five Year Capital Improvement & Major Maintenance Plan

The next step in completing the budget is determining the capital budget and Five Year Capital Improvement & Major Maintenance Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.

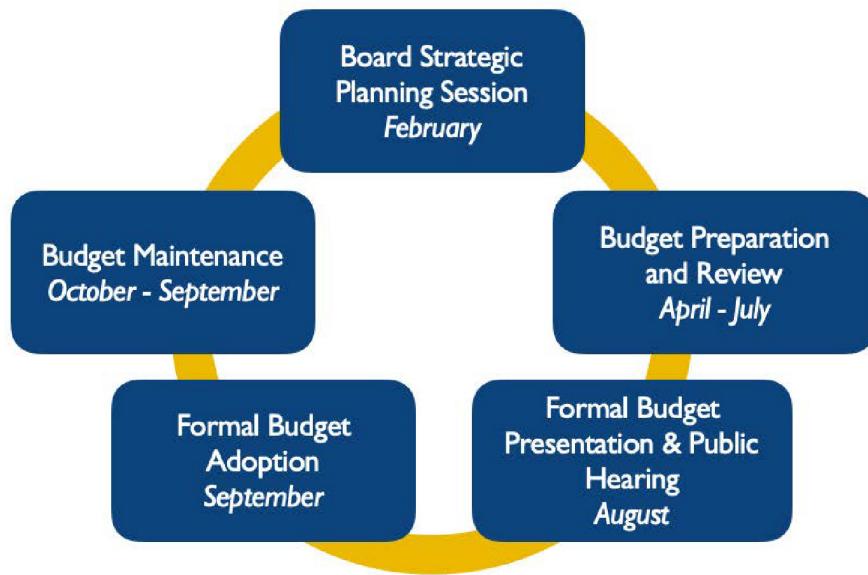
5. Long-Range Financial Plan

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

programs are sustainable and within our financial limits.

6. Staff then takes the comprehensive operating & capital budget, along with the Long-Range Financial Plan, to the Board of Directors for a budget workshop for review and comment. Once staff incorporates any changes received, the proposed budget is then presented in August to the Board, and a public hearing is held to allow for public comment. In September, the proposed budget is then formally adopted by the Board.
7. The adopted budget is enacted with the beginning of the new fiscal year on October 1st.

Budget calendar - the 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 calendar identifies the various tasks involved in the budget process and ensures the information provided will be properly integrated, the process stays 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 2026

Total Operating Budget	\$54,251,832
Internal Debt Coverage Ratio	4.48 Requirement is 1.25%
Federal Grant Revenue Includes Operating & Capital	\$14,544,180
Sales Tax Revenue Accounts for 62.19% of Total Revenue	\$41,000,000
Bus	Rail
	
On-Demand	
Ridership Projections	1,602,619
285,343	877,533
Fuel Cost Projections	\$700,000 200,000 Gallons \$3.50 per Gallon
285,343	\$750,000 250,000 Gallons \$3.00 per Gallon
Total Service Miles	742,589
403,971	
Transportation Reinvestment Program	\$3,763,825

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

Change in Net Position	FY 2024 Actuals	FY 2025 Adopted Budget	FY 2025 Working Budget	FY 2026 Adopted Budget
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$339,714	\$285,000	\$285,000	\$300,000
Passenger Revenues (DR-DO & CCR)	56,863	78,000	78,000	83,000
Passenger Revenues (GoZone Farebox)	1,076,015	950,000	950,000	950,000
Passenger Revenues (Rail Farebox)	414,227	362,312	362,312	408,501
Contract Service Revenue	4,948,287	4,400,615	4,400,615	4,926,041
Total Operating Revenue	\$6,835,106	\$6,075,927	\$6,075,927	\$6,667,542
OPERATING EXPENSES				
Salary, Wages & Benefits	\$10,212,177	\$14,288,291	\$14,392,828	\$14,677,931
Outsourced Services & Charges	6,930,903	5,562,583	5,699,300	6,506,840
Materials & Supplies	2,127,166	3,371,597	3,217,695	2,875,172
Utilities	561,652	761,572	761,572	796,621
Insurance	1,099,836	1,874,600	1,973,772	1,996,131
Purchased Transportation Services	23,888,422	25,053,458	25,053,458	26,310,392
Employee Development	301,748	795,340	792,340	800,453
Leases & Rentals	169,862	188,700	212,080	288,292
Depreciation	10,808,932	10,832,092	10,832,092	10,584,648
Total Operating Expenses	\$56,100,698	\$62,728,233	\$62,935,137	\$64,836,480
Operating Income / (Loss)	(\$49,265,592)	(\$56,652,306)	(\$56,859,210)	(\$58,168,938)
NON-OPERATING REVENUE / (EXPENSE)				
Investment Income	\$5,983,516	\$2,200,000	\$2,200,000	\$3,500,000
Misc. Revenues	160,293	255,000	255,000	210,000
Sales Tax Revenue	40,615,026	41,000,000	41,000,000	41,000,000
Federal, State Grants & Reimbursements	12,408,516	14,703,218	14,703,218	14,544,180
Long Term Debt Interest/Expense	(\$192,298)	(\$171,811)	(\$171,811)	(\$151,102)
Total Non-Operating Revenue / (Expense)	\$58,975,053	\$57,986,407	\$57,986,407	\$59,103,078
Income (Loss) Before Transfers	9,709,461	1,334,101	1,127,198	934,140
Transfers Out *	(4,505,280)	-	-	-
Transfers In	\$4,505,280	-	-	-
Total Transfers	\$0	\$0	\$0	\$0
CHANGE IN NET POSITION				
Net Position - Beginning of Year:	392,994,640	381,993,465	358,431,316	334,662,264
Net Position - End of Year:	402,704,101	383,327,566	359,558,514	335,596,404
Transfer to Capital Projects	(20,710,636)	(24,896,250)	(24,896,250)	(26,062,345)
Net Position After Capital Project Transfer	381,993,465	358,431,316	334,662,264	309,534,059

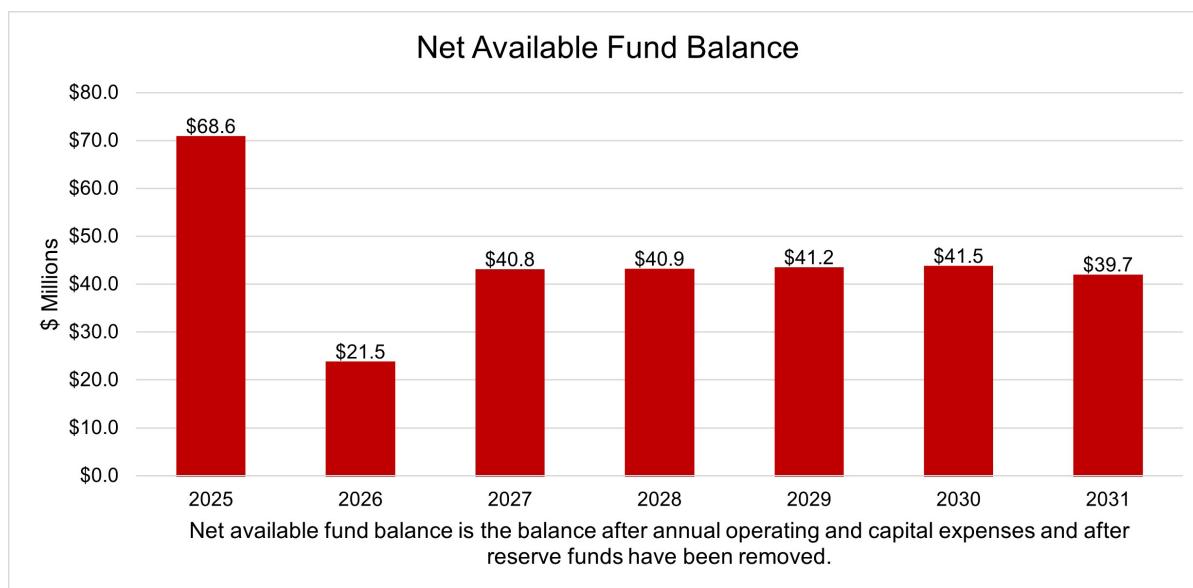
*Includes DCTA & NTMC operating budget and transfers combined and (b) liabilities and deferred inflows of resources

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:

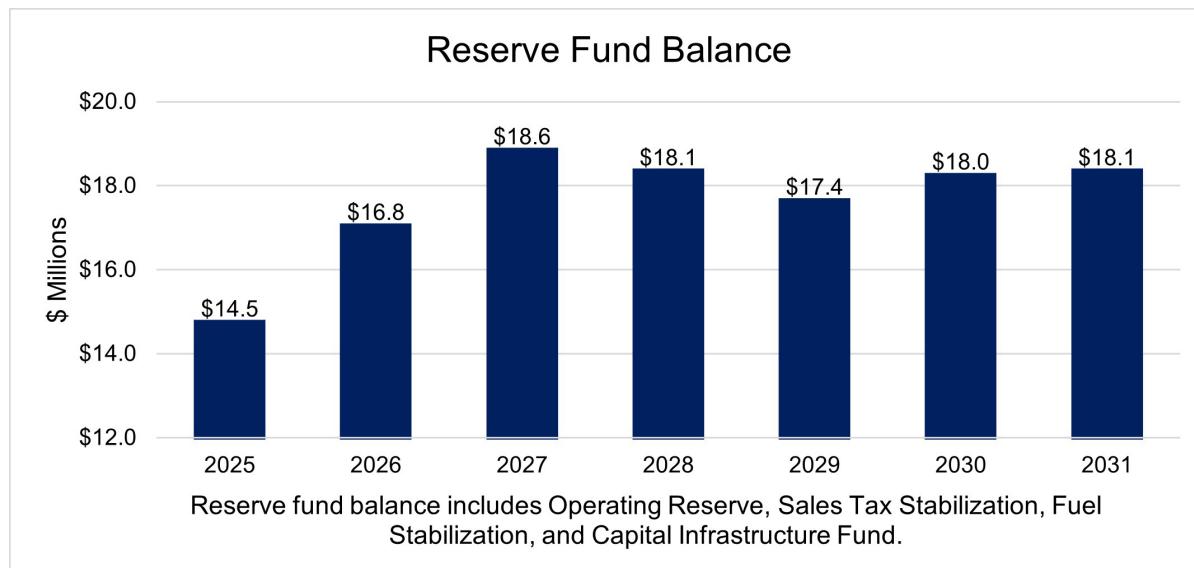
- Labor cost inflation is forecasted at a 4% increase for Administrative & Operations and 4% for year over year
- Health benefit cost inflation varies and is based on a historical average and current plans
- All contract rates for bus and rail service are based on current contracts and escalated per 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 FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031
Beginning Fund Balance:	\$129,311,704	\$120,406,647	\$69,413,353	\$81,743,030	72,450,894	\$68,087,820	\$65,090,668
OPERATING REVENUES							
Passenger Revenue	1,675,312	1,741,500	1,758,915	1,776,504	1,794,269	1,830,155	1,866,758
Contract Services	4,400,615	4,926,041	5,098,452	5,276,898	5,461,590	5,693,707	5,935,690
NON-OPERATING REVENUES							
Sales Tax Revenue	41,000,000	41,000,000	41,820,000	42,656,400	43,509,528	44,379,719	45,267,313
Operating Grants	10,383,400	11,776,474	12,004,938	12,237,833	12,475,247	12,724,752	12,979,247
Investment Income	2,200,000	3,500,000	3,913,216	2,255,934	2,656,648	2,354,654	2,212,854
Other Non-Operating Revenues	255,000	210,000	212,100	214,221	216,363	218,527	220,712
TOTAL REVENUES	\$59,914,327	\$63,154,015	\$64,807,621	\$64,417,791	\$66,113,646	\$67,201,514	\$68,482,574
OPERATING EXPENSES							
Salaries, Wages & Benefits	14,288,291	14,677,931	15,265,048	15,875,650	16,510,676	17,171,103	17,857,947
Outsourced Services & Charges	5,562,583	6,506,840	6,636,977	6,769,716	6,905,111	7,043,213	7,184,077
Materials and Supplies	3,371,597	2,875,172	2,932,675	2,991,329	3,051,156	3,112,179	3,174,422
Purchased Transportation Services	25,053,458	26,310,392	27,099,704	27,912,695	28,750,076	30,179,402	31,084,784
Other Operating Expenses	3,620,212	3,881,497	3,959,127	4,038,309	4,119,076	4,201,457	4,285,486
NON-OPERATING EXPENSES							
Interest Expense	171,811	151,102	130,108	108,779	87,166	65,253	43,005
TOTAL EXPENSES	\$51,896,141	\$54,251,832	\$55,893,531	\$57,587,700	\$59,336,094	\$61,707,354	\$63,586,717
TRiP Expenses (Assumed Member Cities Pay Out)							
Denton		4,231,323	7,298,557	3,840,860	1,042,721	1,042,721	919,943
Highland Village		189,796	189,796	279,579	279,579	279,579	279,579
Lewisville		2,618,618	5,111,676	4,751,676	2,592,362	2,592,362	1,298,176
TOTAL EXPENSES (OPEX, Non-OPEX, TRiP)	\$51,896,141	\$61,291,569	\$68,493,560	\$66,459,817	\$63,250,755	\$65,622,015	\$66,084,415
NET INCOME	8,018,186	8,902,183	8,914,090	6,830,091	6,777,552	5,494,160	4,895,857
NET INCOME (inclusive of TRiP)	8,018,186	1,862,447	(3,685,939)	(2,042,024)	2,862,891	1,579,499	2,398,159
CAPITAL OUTLAY AND MAJOR MAINTENANCE							
Transit Asset Management (TAM)							
Reserve for Fleet Replacement (TAM) - Bus	1,800,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
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
Fleet Purchase - Revenue Fleet (Bus & Non-Revenue)							
Fleet Purchase - Bus	2,320,000	2,400,000	2,640,000	1,720,000	1,800,000		
Fleet Purchase - Cutaway Bus		225,000	450,000	464,000	720,000	744,000	510,000
Fleet Purchase - Non-Revenue Vehicles	80,000	150,000	120,000	135,000			
Fleet Purchase - Bus Refurbish		500,000	1,800,000	600,000	625,000	1,950,000	
Rail Projects & Fleet Purchase							
Major Maintenance Items - Rail	3,130,608	3,354,270	3,689,697	4,058,667	4,464,533	4,910,987	5,402,085
Capital Improvements - Rail	500,000	300,000	0	100,000			
Downtown Carrollton A-Train Extension		22,000,000	18,200,000	18,200,000	18,200,000		
A-Train 15-Min Frequency Program							
Positive Train Control	2,500,000						
Fleet Purchases - Rail							

Operating & Capital Budget - 2026

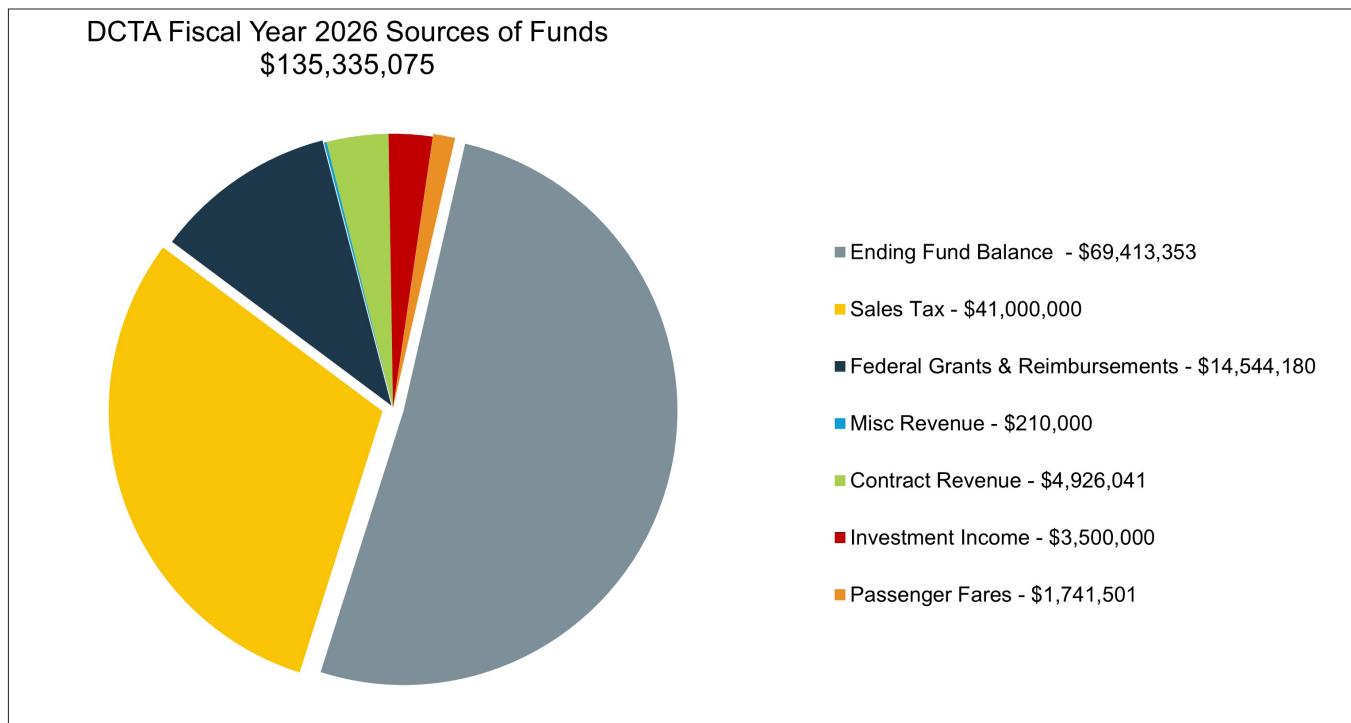
Contributions to the Capital Replacement / Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget or amended budget. The Vice President of Finance shall make a recommendation to the Board with regard to transfers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

The Long-Range Financial Plan (LRFP) reflects the projection for both FY25 and FY26 adopted operating and capital budget. The financial plan for DCTA remains conservative and stable. The LRFP factors in labor cost inflation, a conservative increase in revenue year-to-year, as well as an increase in healthcare costs. It also factors in increases for fuel cost at an average just over 3.3% 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 FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031
CAPITAL OUTLAY AND MAJOR MAINTENANCE CONT.							
Bus Projects							
Bus & Bus Ops Projects		125,250		100,000			
Transit Oriented Development (TOD)							
Infrastructure Acquisition - Old Town Transit Oriented Development	1,200,000	12,000,000	9,049,667	9,049,667	9,049,667		
G&A - Professional Services & Technology Projects							
Professional Services		9,500,000					
Technology Improvements/Technology Capital Reserves	5,878,000	1,944,000	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648
Transportation Reinvestment Program (TRiP)							
Transportation Reinvestment Program (TRiP)	5,967,642	3,763,825					
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	\$25,176,250	\$60,062,345	\$41,249,364	\$39,757,333	\$40,219,800	\$12,996,799	\$11,335,734
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE, LESS TAM RESERVES	\$21,576,250	\$56,262,345	\$37,449,364	\$35,957,333	\$36,419,800	\$9,196,799	\$7,535,734
TOTAL CAPITAL MAINTENANCE & OPERATING EXPENSES	\$77,072,391	\$114,314,177	\$97,142,895	\$97,345,033	\$99,555,984	\$74,704,153	\$74,922,451
CAPITAL SOURCES							
Capital Grants - Programmed	4,319,818	2,767,706	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000
Capital Grants - Discretionary - Fleet Purchase - Bus			2,626,500	1,856,400	2,142,000	632,400	433,500
Capital Grants - Discretionary - Fleet Purchase - Rail							
Capital Grants - Discretionary - Downtown Carrollton A-Train Extension			34,170,000	15,470,000	15,470,000		
Capital Grants - Discretionary - A-Train 15-min Frequency Headway							
Capital Grants - Discretionary - Bus Refurbish			1,440,000	480,000	500,000	1,560,000	
Capital Grants - Old Town			8,421,231	8,000,000	8,000,000		
Capital Grants - CRISI/FRA Grant			1,242,356				
Use of Capital Reserves - Equipment (from TAM)	2,320,000	2,625,000	463,500	327,600	378,000	111,600	76,500

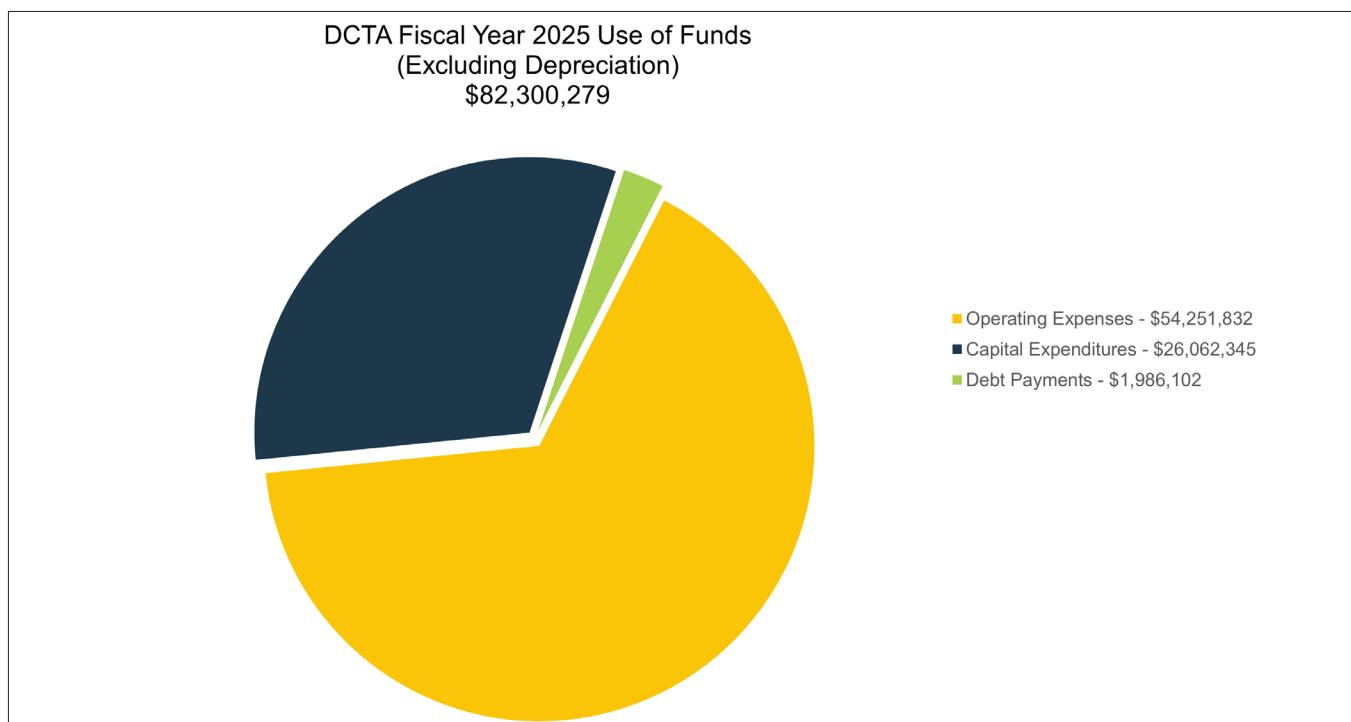
Long Range Financial Plan Cont.

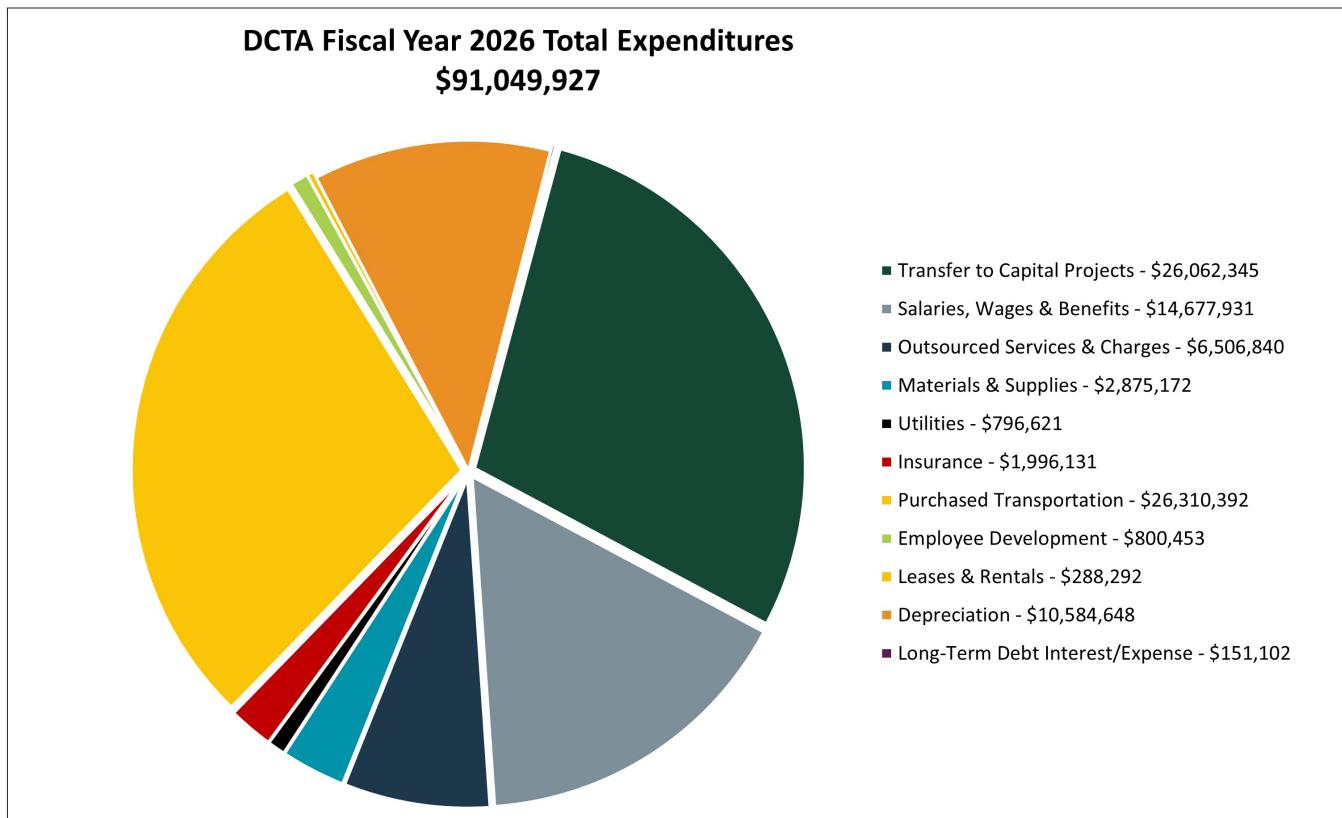
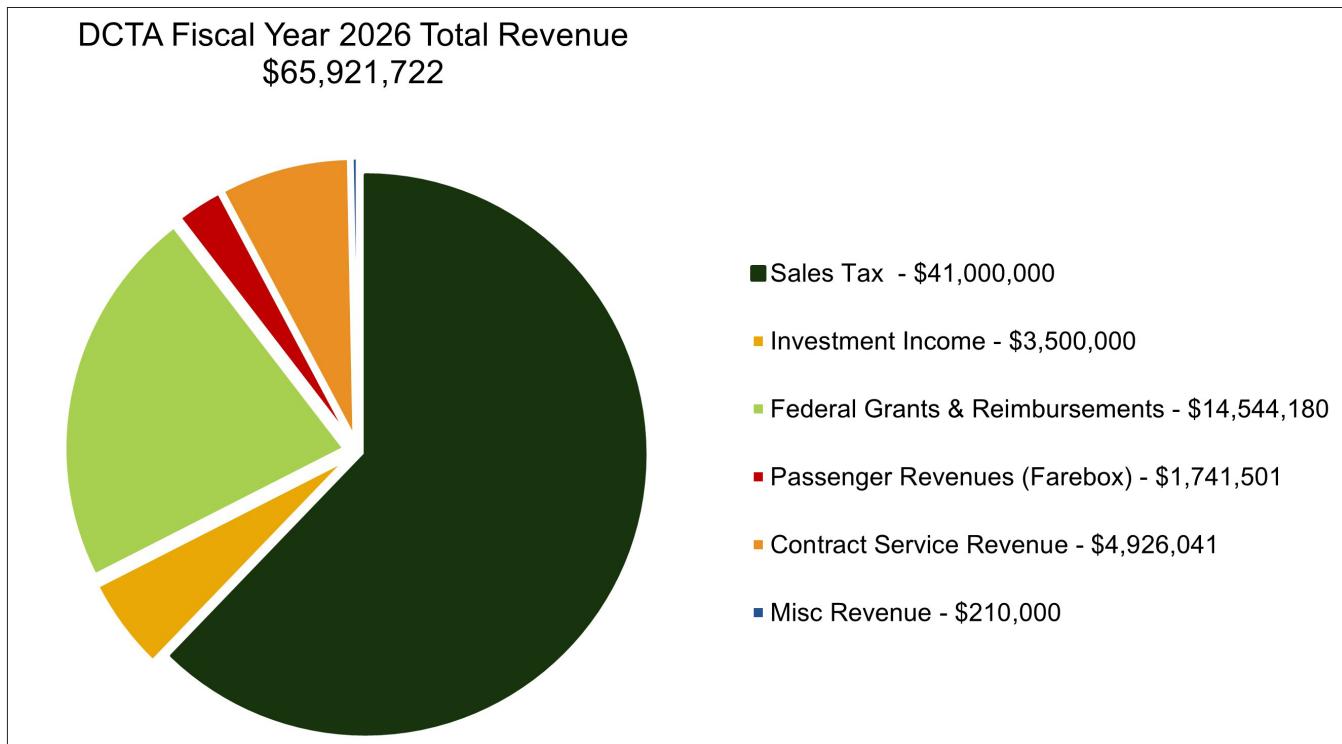
	Adopted FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031
CAPITAL SOURCES CONT.							
Use of Capital Reserves - Capital Investment (from TAM)			6,071,500	3,542,000	3,671,000	3,286,400	1,500,000
TOTAL CAPITAL SOURCES	\$6,639,818	\$5,392,706	\$55,455,087	\$30,696,000	\$31,181,000	\$6,610,400	\$3,030,000
DEBT SERVICE	\$1,992,299	\$1,986,811	\$1,986,102	\$1,990,108	\$1,988,779	\$1,987,166	\$1,990,253
2020 Series Refunding Bonds	948,755	930,142	916,628	898,163	874,798	861,581	833,413
2021 Series Refunding Bonds	1,038,056	1,055,960	1,073,480	1,090,616	1,112,368	1,128,672	1,154,592
TOTAL DEBT SERVICES	\$1,986,811	\$1,986,102	\$1,990,108	\$1,988,779	\$1,987,166	\$1,990,253	\$1,988,005
Internal Debt Service Coverage	4.04	4.48	4.48	3.43	3.41	2.76	2.46
Outstanding Bond Principal as of Sept. 30	13,410,000	11,575,000	9,715,000	7,835,000	5,935,000	4,010,000	2,065,000
ENDING FUND BALANCE	\$120,406,647	\$69,413,353	\$81,743,030	\$72,450,894	\$68,087,820	\$65,0590,668	\$60,995,089
Less Required Fund Balance (O&M Reserve Policy)	12,974,035	15,322,892	17,123,390	16,614,954	15,812,689	16,405,504	16,521,104
Less Sales Tax Stabilization Fund	1,230,000	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 TRiP Funding previously obligated (not spent yet)	37,310,906	31,158,798	22,322,595	13,450,480	9,535,819	5,621,159	3,123,461
NET AVAILABLE FUND BALANCE	\$68,642,377	\$21,452,334	\$40,793,117	\$40,856,440	\$41,184,697	\$41,483,285	\$39,743,176
RESERVES FOR CAPITAL PROJECTS/ TAM (cumulative total)							
Use of Capital Reserves - Equipment (from TAM)	(2,320,000)	(2,625,000)	(463,500)	(327,600)	(378,000)	(111,600)	(76,500)
Use of Capital Reserves - Capital Investment (from TAM)	-	-	(6,071,500)	(3,542,000)	(3,671,000)	(3,286,400)	(1,500,000)
CAPITAL RESERVE BALANCE	\$1,280,000	\$1,175,000	\$(2,735,000)	\$(69,000)	\$(249,000)	\$402,000	\$2,223,500
RESERVES FOR CAPITAL PROJECTS/ TAM (cumulative year totals)							
Use of Capital Reserves - Equipment (from TAM)	(2,230,000)	(2,625,000)	(463,500)	(327,600)	(378,000)	(111,600)	(76,500)
Use of Capital Reserves - Capital Investment (from TAM)	-	-	(6,071,500)	(3,542,000)	(3,671,000)	(3,286,400)	(1,500,000)
CAPITAL RESERVE BALANCE	\$4,680,000	\$5,855,000	\$3,120,000	\$3,050,400	\$2,801,400	\$3,203,400	\$5,426,900



Sources and Uses of Funds

The FY26 budget anticipates an increase in Contract Service Revenue to align with actual revenue. Ridership is expected to increase a bit in FY 2026 as we continue to meet our on-time performance and safety key performance indicators.

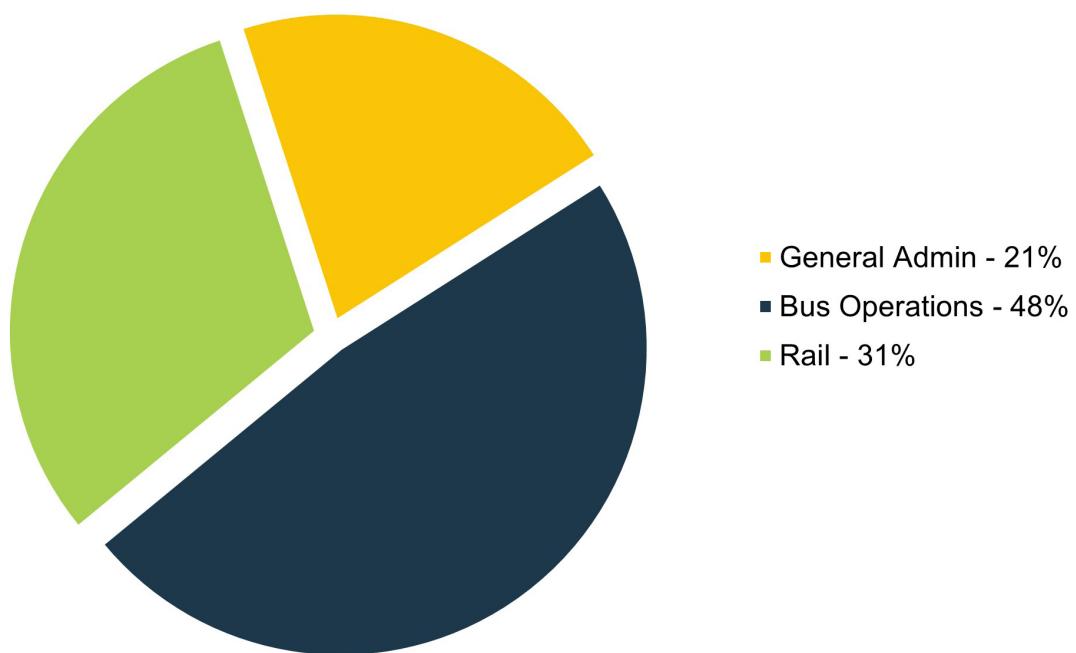




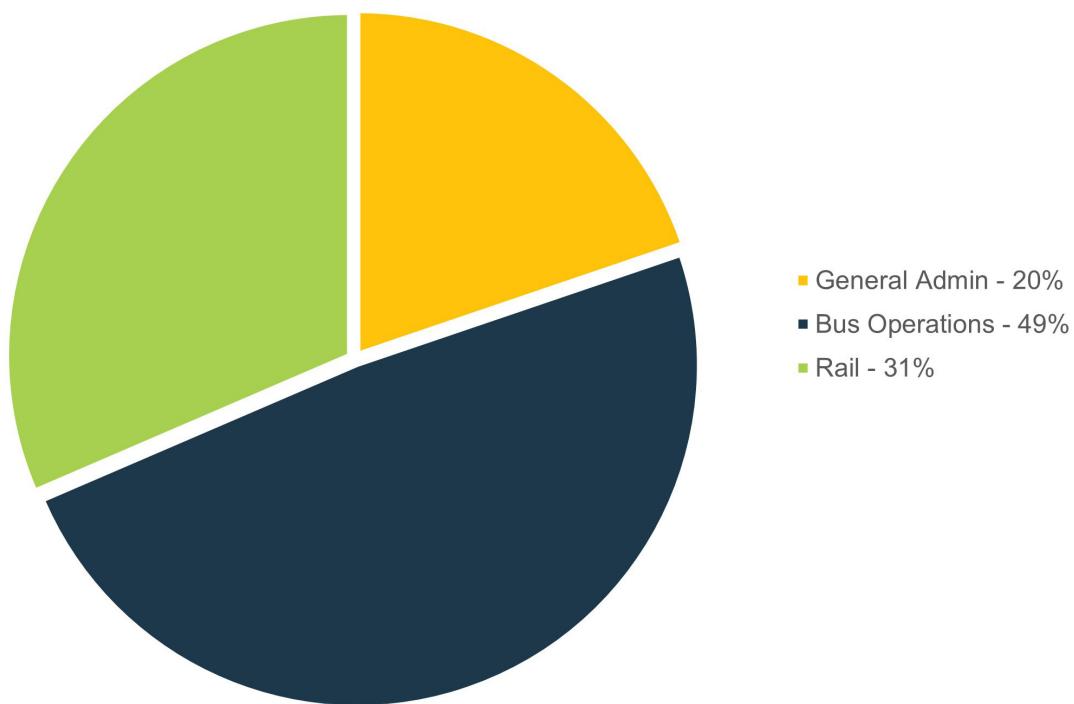
Operating Expenses by Division and Department

	FY 2024 Actuals	FY 2025 Adopted Budget	FY 2025 Working Budget	FY 2026 Adopted Budget
General and Administrative				
President/CEO	\$928,689	\$1,110,670	\$1,122,670	\$1,372,055
Administration	281,966	298,320	584,504	490,505
Board of Directors	15,158	61,975	49,975	28,923
Finance	1,507,195	1,751,232	1,751,232	1,569,348
Strategic Planning & Development	1,419,076	2,506,637	2,461,437	2,206,526
Marketing Communications	692,132	1,011,589	966,589	1,056,572
Customer Service	95,180	-	-	-
Human Resources	491,217	988,575	1,191,053	1,728,541
Information Technology	1,186,704	1,806,213	1,806,312	2,200,072
Procurement & Compliance	280,843	404,210	404,210	403,202
Non-Departmental	17,892	330,000	330,000	330,000
Total General & Administrative	\$6,916,052	\$10,269,520	\$10,667,982	\$11,385,744
Rail Operations				
Total Rail Operations	\$16,934,862	\$16,331,354	\$17,143,212	\$16,793,412
Bus Operations				
Includes DCTA operating expenses & the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) FY24 actuals.				
Bus Service Administration	\$592,966	\$2,350,087	\$2,266,409	\$2,170,155
Mobility Services	2,015,306	-	-	-
Fixed Route Services	2,853,179	4,981,906	5,191,854	5,378,504
Demand Response Services	969,031	1,038,450	1,096,426	1,069,308
Go Zone	10,513,532	11,699,652	11,699,652	12,140,995
Collin County Rides (CCR)	263,012	454,353	454,353	460,116
Mobility as a Service (MaaS)	1,464,387	780,685	780,685	895,685
Customer Service	453,306	621,547	627,747	755,340
Supervisors & Dispatch	434,058	810,528	810,528	797,439
Maintenance	1,588,277	1,847,658	1,850,158	2,129,518
Non-Departmental	701,295	710,401	626,501	275,616
Total Bus Operations	\$21,848,350	\$25,295,267	\$25,404,313	\$26,072,676
Total Depreciation	\$9,364,474	\$10,832,092	\$10,832,092	\$10,584,648
Total Operating Expenses + Transfers Out	\$55,063,738	\$62,728,233	\$64,047,599	\$64,836,480

Fiscal Year 2026 Operating Expense By Division

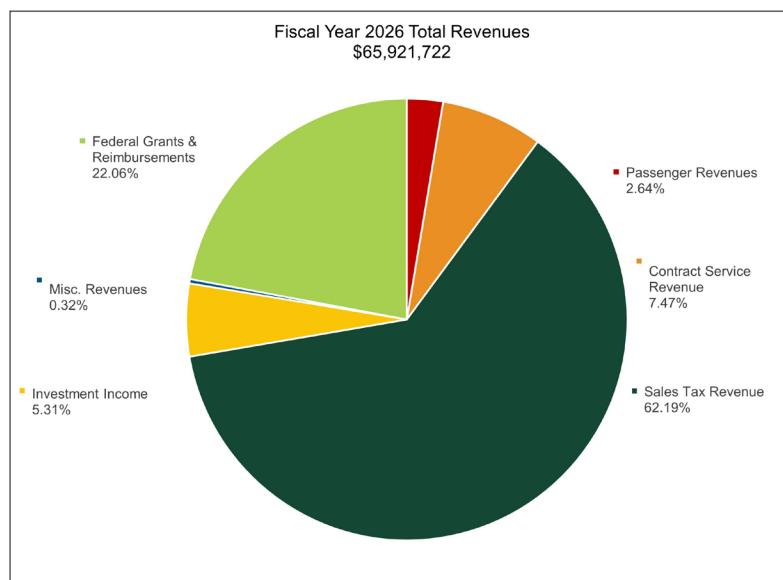
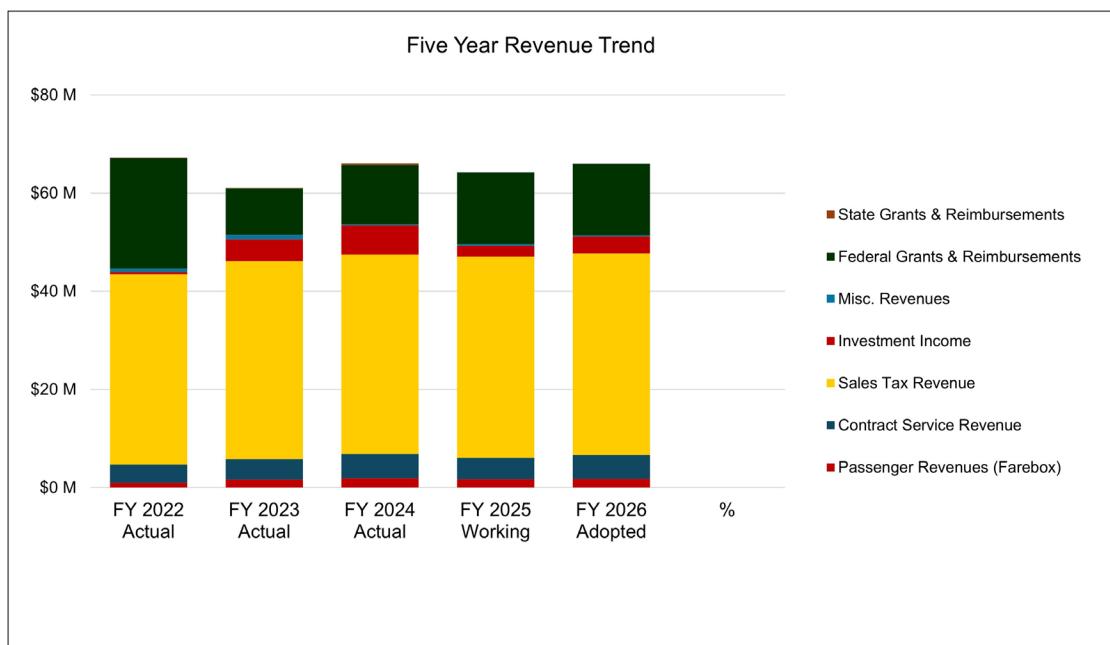


Fiscal Year 2025 Operating Expense By Division



Revenue Sources - Five Year Trend

	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Working	FY 2026 Adopted
REVENUE SOURCE					
Passenger Revenues (Farebox)	\$933,776	\$1,569,770	\$1,886,820	\$1,675,312	\$1,741,501
Contract Service Revenue	3,721,321	4,233,303	4,948,287	4,400,615	4,926,041
Sales Tax Revenue	38,808,188	40,320,771	40,615,026	41,000,000	41,000,000
Investment Income	426,425	4,434,145	5,983,516	2,200,000	3,500,000
Misc. Revenues	681,289	909,745	174,399	255,000	210,000
Federal Grants & Reimbursements	22,564,212	9,490,562	12,129,170	14,703,218	14,544,180
State Grants & Reimbursements	55	1,011	279,347	0	0
TOTAL REVENUES	\$67,171,266	\$60,959,308	\$66,016,564	\$64,234,145	\$65,921,722



Budget Assumptions

The focus for the FY 2026 budget was one of stabilization and growth.

The following factors served as the building blocks for the fiscal year 2026 budget and are outlined in more detail in the following pages:

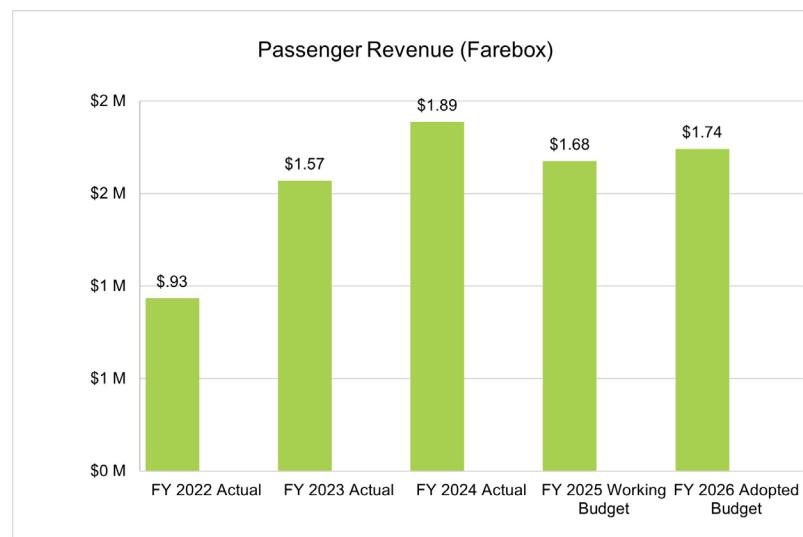
- Level in sales tax revenue
- Fine-tuning passenger and contract service revenue to align with needed service levels
- Increase in Connect service
- Planning for growth in next 1-10 years for the agency
- Identify key capital projects and revenue and grant funding to help compensate for these projects

Revenue & Other Income

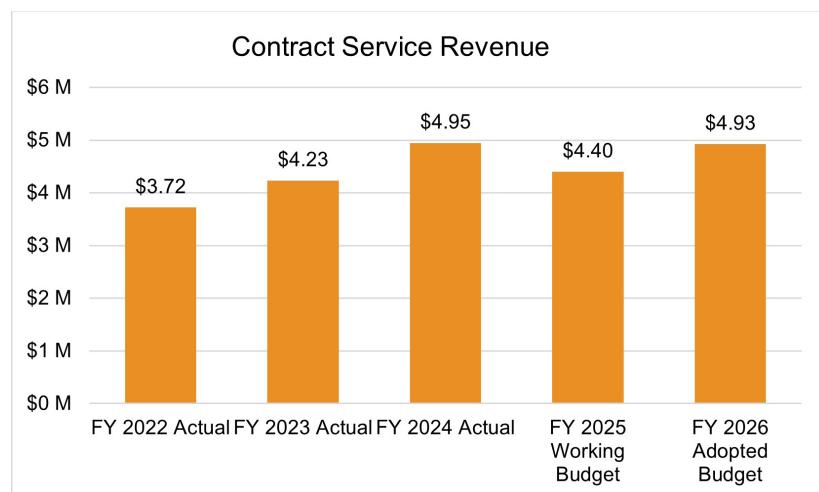
Department specific revenue budgets, such as Passenger Revenues (Farebox), are the responsibility of the department since the staff in each department is the most knowledgeable source of information. Likewise, the Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are 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 1 - 2% each year. The budget is calculated using projected ridership and average fare per rider

Total passenger revenue is projected at \$1.7M for FY26 which is level to FY25 working budget. GoZone ridership is planned to increase slightly but revenue is planned to be level. And, rail passenger fares are estimated to have a 12.7% increase.



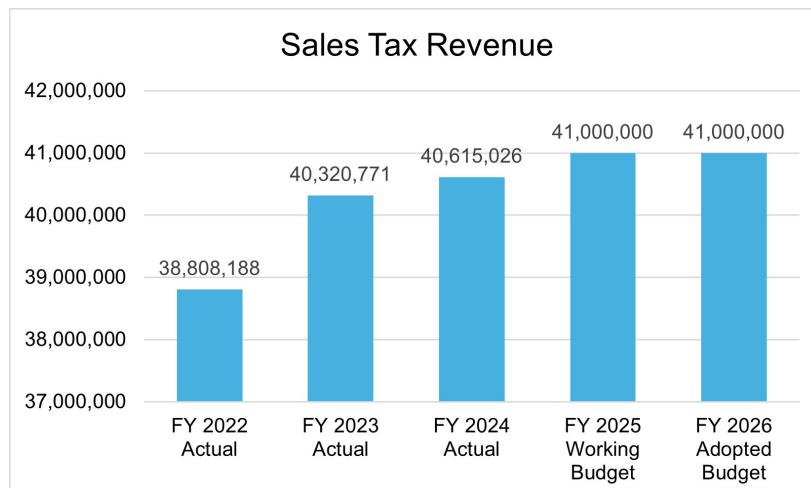
Contract service revenue consists of revenue or income related to providing transit services to UNT, Frisco, and Coppell. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components. The FY26 budget reflects a 10.6% increase to the FY25 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 62% for the Fiscal Year 2026 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 FY26 budget year is level to the sales tax budget for FY25. 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.



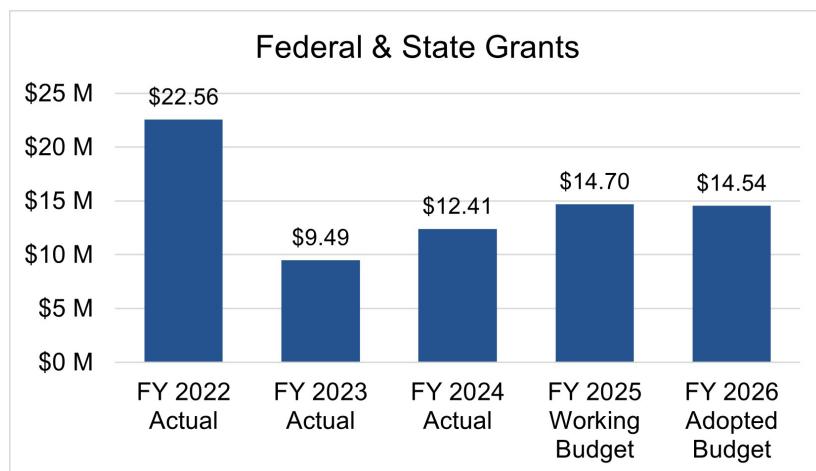
Grants & Reimbursements

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 2026 fiscal year, DCTA has budgeted \$14.5 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. The funds in FY26 is a carry-over of funding to be utilized for positive train control (PTC).

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 \$2.7 million specifically for federal capital grants.



	FY26 Operating Expense	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
Operating Assistance					
FY2022 & 2024 Sec 5307	\$10,423,515	50%	\$5,211,758	50%	\$5,211,757
ADA Operating Assistance					
FY2022 & 2024 Sec 5307	605,067	20%	121,013	80%	484,054
Bus Preventive Maintenance					
FY2022 & 2024 Sec 5307	1,023,150	20%	204,630	80%	818,520
Rail Preventive Maintenance (Fixed Guideway)					
FY2024 & 2025 Sec 5337	5,544,362	20%	1,108,872	80%	4,435,490
Vanpool					
FY2024 Sec 5307 STBG	672,000	0%	-	100%	672,000
Collin County Rides					
FY2022 Sec 5310	154,653	0%	-	100%	154,653
Total Operating Expenses & Associated Grants	\$18,422,747		\$6,646,273		\$11,776,474

Operating & Capital Budget - 2026

	FY25 Capital Project Expenditure	DCTA Share	Total DCTA Share	Federal Share	Total Federal Share
Capital Projects & Associated Grants					
Infrastructure Acquisition					
CMAQ Funds	\$1,108,800	0%	-	100%	\$1,108,800
Fleet Purchase - Bus					
FY2021 Sec 5339	\$484,600	0%	-	100%	\$484,600
FY2018 Sec 5339	\$225,000	15%	33,750	85%	\$191,250
Bus Rebuild					
FY2024 Sec 2339	\$500,000	20%	\$100,000	80%	\$400,000
Bus Preventive Maintenance					
FY2022 STBG	\$38,380	0%	-	100%	\$38,380
FY2019 Sec 5307	\$55,250	20%	11,050	80%	\$44,200
Facility Maintenance / Safety & Security					
FY2023 Sec 5339	\$250,000	20%	50,000	80%	\$200,000
FY2021 Sec 5307	\$50,000	0%	-	100%	\$50,000
FY2024 Sec 5307	\$25,000	20%	5,000	80%	\$20,000
Swiftly Software Licensing					
FY2020 Sec 5339	\$288,095	20%	\$57,619	80%	\$230,476
Total Capital Projects & Associated Grants	\$3,025,125		\$257,419		\$2,767,706

Investment Income

Investment income has shown a significant increase again in FY25 actuals. In FY26, the DCTA Finance team invested funds according to a board-approved investment policy. The result was a significant amount of revenue the last two years. In keeping with this investment approach, the FY26 budget includes a \$3.5M 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.

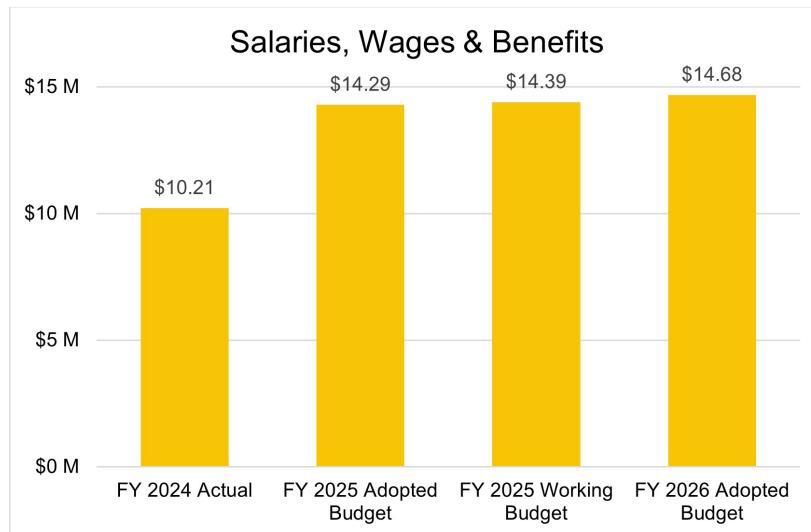
Salary, Wages and Benefits

This expense category includes DCTA payroll, employer taxes, health insurance premiums, and related benefits. The FY 2026 budget reflects a 2.7% increase compared to the FY25 budget for this category.

This is a result of an increase in salaries and benefits for the new fiscal year

The FY25 budget includes no new positions. Total DCTA staff is 143 which includes one grant funded position for the Collin County Rides program. Please refer to the Full-Time Equivalent Comparison Schedule for a more detailed breakdown.

This budget incorporates a 2% decrease in medical and no increase in dental health care benefits.



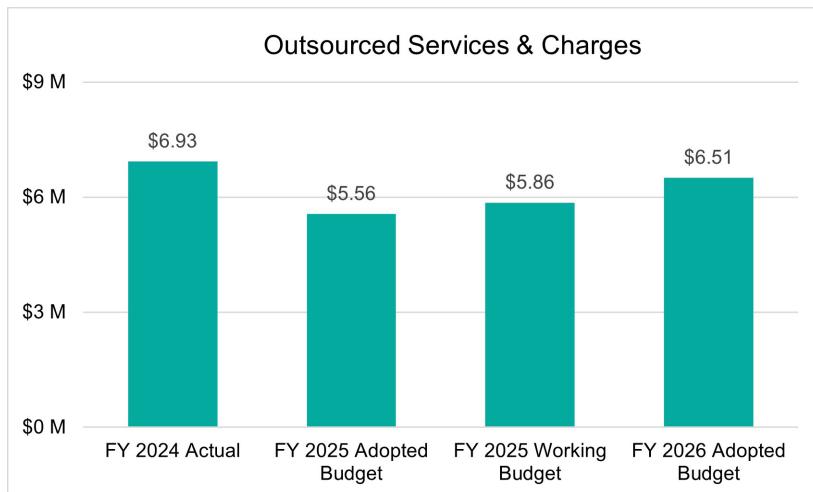
The FY 2026 budget also incorporates a 3% cost of living adjustment and merit compensation budget up to 5%.

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. This budget enables another study to be completed in FY 2026.

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 FY 2026, Outsourced Services & Charges represent \$6.5M. Many of these are one time expenses which are made up of some 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 continued from FY25.

2. Strategic Planning: Alternatives to Fare System Strategy

DCTA is evaluating ticket vending machines (TVM's) for fare collection to come up with a plan for how to do this economically and progressively for all riders including the unbanked. Total budget impact is estimated at \$160K.

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. Total 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. This is a continuation of what was in last years budget. Total budget impact this year is estimated at \$75K.

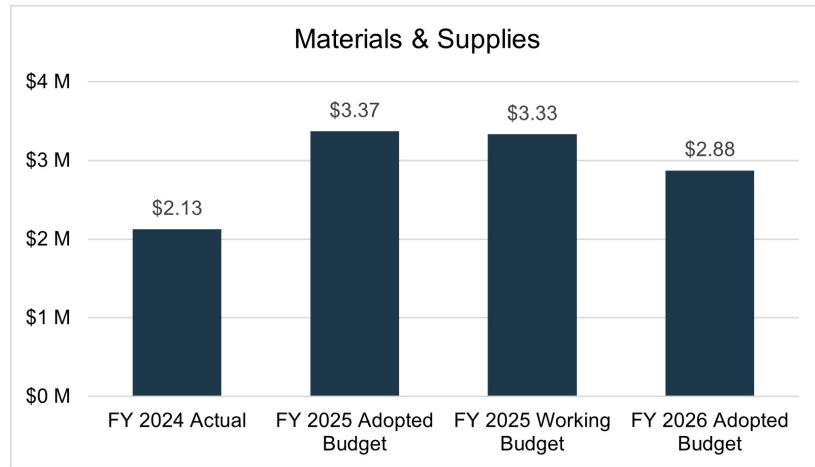
5. Strategic Planning: Fleet Transition Plan for Revenue and Non-Revenue Vehicles

DCTA currently operates an aging fleet of diesel and gasoline revenue and non-revenue vehicles. The agency has an existing fleet replacement plan to replace or refurbish vehicles that have met their useful life in years or miles. However, the agency will need to consider the replacement of vehicles alongside long-range goals. The development of a fleet transition plan identifies the timeline and costs for replacement, including associated infrastructure to support ongoing maintenance and consideration of alternative fuels.

Total budget impact is estimated at \$50K.

6. Marketing and Advertising: 3rd Party Advertising Management Firm

DCTA's Board of Directors and executive management have identified transit advertising as a goal and a potential untapped source of revenue for the agency in recent meetings. Transit advertising has shown itself to be a best practice in the United States, with many transit agencies using their assets to generate advertising revenue. This will allow the agency to hire a third-party firm to create and manage an advertising program at DCTA which oversees the implementation of a process using DCTA assets as media for advertising by other entities. These assets could include train cars and buses (interiors and exteriors, including full wraps), train stations, the Downtown Denton Transit Center, bus shelters and bus benches. The third-party firm would manage the details of the endeavor, with oversight, management and guidance from DCTA Marketing & Communications. This represents \$630K for FY26. This is a continuation from FY25.



Materials & Supplies

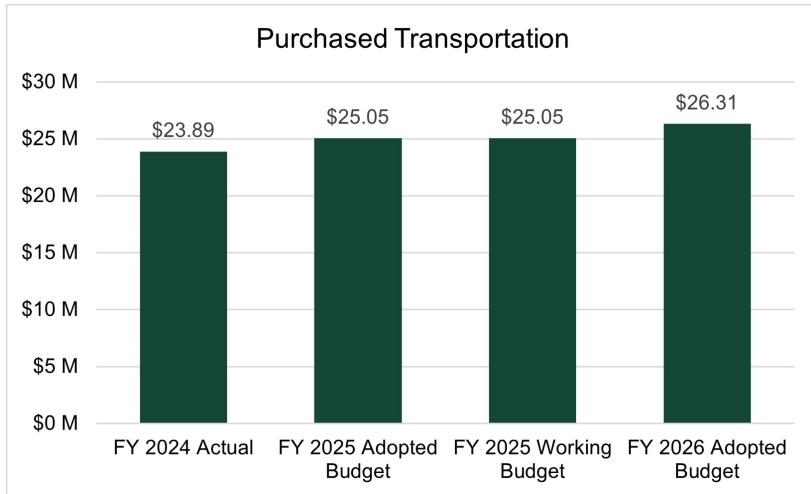
This expense category includes fuel, parts, and lubricants for operations, as well as, office supplies, non-capital expenses for furniture and computers, and similar expenses. In FY26, Materials & Supplies represents \$2.8M. One of the drivers in this category is fuel. Fuel is budgeted at \$3.00/gallon 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 FY25.

Utilities

This expense category includes gas, electric and communication expenses. The FY26 budget is \$796K. This includes an electric rate of \$0.075/kWh from the energy provider. 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 is \$1.9M. 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 \$12.9M in FY26 and is based on the current contract rate. It also assumes \$100K for the Positive Train Control (PTC) contingency for operational costs.

The Via contract for Go Zone service is under Purchased Transportation and represents \$11.8M for FY26. This includes Go Zone Service and their customer service for our three member cities: Denton, Lewisville, and Highland Village.

The Frisco demand response contract service is also included under Purchased Transportation and is based on the current contract. This serves the Frisco Contract, is 100% reimbursed by an administrative fee, and shown in the Demand Response/Directly Operated (DR-DO) account.

In 2019, DCTA expanded its transit offerings with its Mobility-as-a-Service (MaaS) contract model that is applied to Frisco, Coppell, Allen, Fairview under the Board's new member and contracted services policy, and Vanpool.

In 2023 DART terminated their vanpool program so that led to more customers to sign up for DCTA's Vanpool. Vanpool service has increased over the last few years. The number of vanpools has consistently averaged just over 100 per month. DCTA's portion of the expense is 100% grant funded.

Employee Development

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

- Training opportunities for 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 FY26 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
Total	\$12,930,000	\$795,037	\$13,725,037

Debt Schedule 2021

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

DATE: September 30, 2021

INTEREST

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

PURPOSE

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

SECURITY

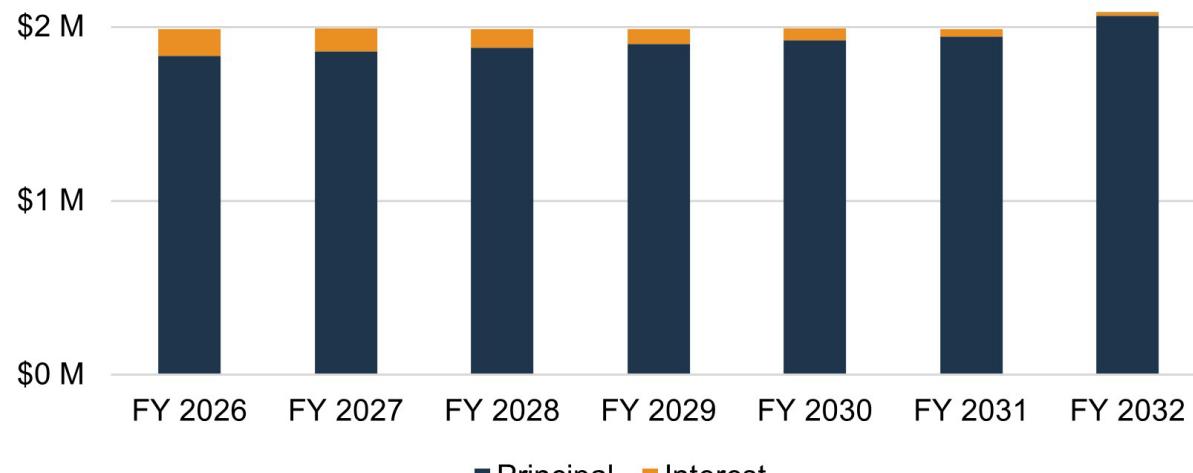
The Bonds are secured by Pledged Revenues, including receipts from a 1/2% sales and use tax levied within the Authority.

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

Outstanding Debt Schedule Table as of 9/30/2025

Fiscal Year	Principal	Interest	Total
FY 2026	1,835,000	151,102	1,986,102
FY 2027	1,860,000	130,108	1,990,108
FY 2028	1,880,000	108,779	1,988,779
FY 2029	1,900,000	87,166	1,987,166
FY 2030	1,925,000	65,253	1,990,253
FY 2031	1,945,000	43,005	1,988,005
FY 2032	2,065,000	20,444	2,085,444
TOTAL	\$13,410,000	\$605,857	\$14,015,857

Outstanding Debt Service as of 9/30/2025



Full Time Equivalent (FTE) Comparison

	FY 2024 Working Budget	FY 2025 Working Budget	FY 2026 Adopted Budget	Variance
GENERAL & ADMINISTRATIVE DIVISION				
President/CEO Department	2.00	3.00	5.00	2.00
Finance Department	9.00	9.00	8.00	(1.00)
Strategic Planning & Development Department	4.00	11.00	9.00	(2.00)
Marketing & Communications Department	5.00	3.00	2.00	(1.00)
Human Resources Department	3.00	5.00	7.00	2.00
Innovation & Technology Department	6.00	6.00	7.00	1.00
Procurement & Compliance Department	3.00	3.00	3.00	0.00
BUS & MOBILITY SERVICES DIVISION				
Bus Administration	0.00	10.50	10.00	(0.50)
Collin County Rides *	1.00	1.00	1.00	0.00
Customer Service Department	1.00	7.00	7.00	0.00
Fixed Route/Directly Operated (FR/DO)	0.00	52.50	55.00	2.50
Go Zone	0.00	1.25	1.00	(0.25)
On Demand	0.00	10.00	8.00	(2.00)
Maintenance	0.00	11.00	11.00	0.00
Mobility Services Department	8.00	0.00	0.00	0.00
Supervisors & Dispatch	0.00	8.00	8.00	0.00
RAIL OPERATIONS DIVISION				
Rail Operations Department	2.00	1.25	1.00	(0.25)
Total DCTA FTE Staff	44.00	142.50	143.00	0.50
THIRD PARTY CONTRACT OPERATIONS				
Bus Administration Department	0.00	0.00	0.00	0.00
Customer Service Department	7.00	0.00	0.00	0.00
Supervisors/Dispatchers Department	9.00	0.00	0.00	0.00
Maintenance Department	15.00	0.00	0.00	0.00
Bus Operators	60.00	0.00	0.00	0.00
CONTRACTED BUS SERVICES (NTMC)**	91.00	0.00	0.00	0.00
CONTRACTED RAIL SERVICES (Rio Grande Pacific Corporation + Subcontractors)	49.00	49.00	49.00	0.00
Total Third Party Contract Operations	140.00	49.00	49.00	0.00

* Position for CCR is funded by NCTCOG

** Contracted Bus Services (NTMC); NTMC was dissolved in June 2024

Division Budgets



Operating &
Capital Budget

2026

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$450,363	\$631,680	\$876,120
Outsourced Services & Charges	330,467	383,600	369,400
Materials & Supplies	1,615	16,200	2,200
Utilities	-	-	-
Insurance	-	-	-
Employee Development	92,414	141,165	153,258
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$874,859	\$1,172,645	\$1,400,978
Staffing			
Administrative Support Specialist	-	-	1.00
CEO	1.00	1.00	1.00
Executive Assistant/Board Manager	1.00	1.00	1.00
Security & Surveillance Analyst	-	-	1.00
Senior Manager Safety	-	1.00	1.00
Total	2.00	3.00	5.00

Office of CEO & Board of Directors
Looking Ahead
FY26 Objectives & Performance Measures

1. Progress A-Train Enhancement Program
2. Lead data-driven decision-making process to take the next step on modal optimization through the Intermediate Service Plan (Phase III)
3. Progress Transit-Oriented Development at Old Town Lewisville.
4. Improve Long Range Financial Plan outcomes.
5. Progress overall repository of internal data visualization dashboards.
6. Improve DCTA customer experience across the trip cycle while maximizing operating efficiency.
7. Progress Long Range Service Plan priorities.
8. Ensure robust operating capability, continuity, and continuous improvement of DCTA operations, including completion of finance, HR, and parts inventory ERP
9. Progress strategic initiatives identified by DCTA and the Regional Transit 2.0 initiative.
10. Maintain positive Relationships with cities across Denton County, the Commissioner's Court, and the general public to create awareness of the agency and its accomplishments; understand opportunities to enhance value, and continuously improve DCTA.

Office of CEO & Board of Directors
Performance Measure Results
FY25 Progress Report

DEVELOP AND DELIVER TRANSPORTATION OFFERINGS THAT MEET EXPECTATIONS OF DENTON COUNTY AND MEMBER CITY STAKEHOLDERS

- Publish public-facing safety, service & ridership dashboards. Outline & progress repository of internal data visualization dashboards.
 - Standardized templates and reporting structure for monthly safety, service and ridership data to the board. Began weekly internal reporting that enables monitoring of ISP performance by zone through tracking service hours, seat unavailability, and wait times.
- Intermediate Service Plan (ISP) Phase II.
 - Staff implemented Phase II this summer through establishing a geofence Boundary around TWU, expanding the GoZone boundaries around UNT, increasing UNT contract rates, and integrating A-train availability into the GoZone app.
- 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.
 - Achieved general consensus on the New Member and Contracted Services Policy that was adopted by the Board in March 2025.
- Progress Long Range Service Plan with consultant selection, scope of work, and identification of 2035 Ridership Goal and market-based path to achievement.
 - While a planning consultant contract was solicited and awarded, the agency's approach on the LRSP pivoted with Board support to focus on fare policy and fare collection technology implementation, which will be taken up in FY2026.
- Identify and progress opportunities to increase revenue through UNT Contract, TWU Relationship, Advertising Revenue, and others.
 - Achieved 6% revenue increase above amount stipulated by UNT contract for FY26 to achieve \$94.25 per hour.
 - A new marketing and communications manager was hired this FY and an external marketing firm was procured and on-boarded in March 2025. The Board's new Advertising Revenue Policy was adopted in September 2025.
- Provide leadership to regional collaboration among transit community to identify and progress strategic initiatives identified by DCTA and the Regional Transit 2.0 initiative.
 - DCTA led regional agency consensus by spearheading the "Top 10" priority list of opportunities for the region to move forward, together, under the Transit 2.0 initiative. Staff has also leveraged its New Member and Contracted Services Policy to progress current contracted services relationships in Frisco, Coppell, Allen and Fairview with conversations on the future of service and extending performance periods to multi-year arrangements where possible.

Office of CEO & Board of Directors
Performance Measure Results
FY25 Progress Report

- Maintain positive working relationships with Cities across Denton County and the Commissioners Court to understand opportunities to enhance value and continuously improve DCTA.
 - DCTA provided updates to Lewisville, Denton, and Highland Village City Councils and our state legislative delegation with a clear, data-driven message demonstrating our successful increases in ridership and fundamentally sound approach.

PROVIDE EXCEPTIONAL CUSTOMER SERVICE THROUGH THE FULL CYCLE OF TRANSPORTATION ENGAGEMENT – TRANSACTION, SERVICE DELIVERY, FEEDBACK, AND FOLLOW-UP

- Stand-up an in-sourced, single point of contact DCTA customer service function for all modes. Right-size contract for Via support.
 - Provided Board updates in December and June with full-year FY24 and YTD FY25 call volume datasets, illustrating call demand has increased as ridership has increased. Also reviewed potential partial in-source / outsource scenarios to consider financial impacts of an in-sourced model. Provided structure of which call types could be in-sourced and which could not and identified and implemented internal quality metrics.
 - Re-competed GoZone contract to enable cost certainty on outsourced scenario for the next 5 years. With modest increase in outsource cost and large call volumes being received, attention must shift to lowering call volume into DCTA and Via to enable the business case to work.
 - DCTA implemented the Ride DCTA app to enable paratransit customers to book by App while pushing Via to implement AI tools and other strategies to reduce its call volume. Will continue to monitor call volume and drive improvements to reduce human call handling in FY26
- 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.
 - Staff provided a briefing to cast vision on this topic in the January strategic workshop and, with direction, implemented the Transit App and developed a plan to pilot electronic fare revenue collection following a new Fare Policy.
- Progress Bus Stop Infrastructure Planning and Design to enable implementation concurrent with ISP.
 - DCTA produced a draft bus stop standards specifications document that will be finalized, published, and implemented with an initial phase of work in FY2026.
 - Progress Enterprise Resource Program implementation.

Office of CEO & Board of Directors
Performance Measure Results
FY25 Progress Report

- 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 roadmap for DCTA website improvement.
 - A new marketing and communications manager was hired and an external marketing firm was procured and onboarded in March 2025. Delivered an 18-month marketing program and more than 100 video clips and reels and more than 600 social media posts across all channels to “humanize” the DCTA brand with employee and rider highlights.

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.
 - DCTA awarded a program management contract in December, validated model results in July, awarded a contract to Rio Grande to complete Curve and Speed work in August, and awarded task orders for Board approval in September for the Downtown Carrollton Extension and Extended Service Hours modeling.
 - DCTA also collaborated with City of Corinth staff to develop a scope of work for a station alternative siting study and briefed Corinth City Council on a path forward for a station at Corinth under the New Member and Contracted Services Policy.
- Progress the Board’s preferred alternative on Transit Oriented Development at Old Town Lewisville.
 - The agency and City of Lewisville coalesced around a compelling vision for the site; achieved letters of support from the County, the City, and DART; drafted a Request for Qualifications (RFQ) document, and will released the RFQ. DCTA also partnered with City staff and its developer partner, Ojala, to grant temporary easements and permanent license rights for infrastructure and rights of way on DCTA property in accordance with FTA requirements to ensure compatibility with the adjacent site.
- Finalize implementation Finance module of Enterprise Resource Program and progress Human Resources Module.
 - The agency implemented a new Finance ERP system, on time and under budget.

Office of CEO & Board of Directors
Performance Measure Results
FY25 Progress Report

- Implement next major service contracts at DCTA (Demand Response, Mobility as a Service, Rail Operations & Maintenance, etc.).
 - Requests for proposals for Demand Response (GoZone) and On-Demand / TNC Services (i.e. Lyft, Irving Holdings) were issued and award recommendations were made to the Board and approved in the April Board meeting. Also completed negotiations with Rio Grande Pacific (RGPC) to enable DCTA to exercise its 5-year option on the Rail Operating and Maintenance contract in April. Staff performed a bottom-up labor hour and financial review of the contractor's proposal for a change order related to additional work required to maintain the Positive Train Control (PTC) system, which was not operational at the time of bid.
- 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.
 - Adopted the subject policy in March following more than 12 months of dialogue, making it the first agency in the region with a written policy that provides an on-ramp for transit agency membership or long term engagement in contracted services with an "a la carte" approach to service.
- Progress Long Range Financial Planning (LRFP) process with recurring efforts to integrate robust facility, vehicle / equipment, and grant development planning mechanisms.
 - DCTA produced a comprehensive Long Range Financial Plan containing all anticipated capital projects over the planning period, providing the Board with the visibility and understanding needed to assess agency's overall financial health.
- 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 and NTMC staff.
 - The administrative requirements resulting from transition of staff from NTMC to DCTA persisted well into FY2025, with Bus Operators being the last to transition to DCTA on September 16 and the Letter of Intent with ATU signed on September 25, 2024. The NTMC transition offered opportunity to revise and re-issue the DCTA Employee Handbook, DCTA Drug and Alcohol Policy, and other Human Resources standards. Staff also revised and submitted the Agency's Title VI Policy and Public Transit Agency Safety Plan with stand up of a new Joint Safety Committee.
 - Executive Team review of core capabilities, risks, and mitigations resulted in zero new position requests in the FY26 budget. Rather, teams were oriented through existing positions to ensure robust operating capability moving into FY26.

Administration

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

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	-	-	-
Outsourced Services & Charges	42,472	189,574	106,613
Materials & Supplies	32,350	148,340	45,760
Utilities	43,798	51,360	64,490
Insurance	-	-	-
Employee Development	1,417	1,850	1,850
Leases & Rentals	161,929	193,380	271,792
Depreciation	-	-	132,565
Total Dept Budget	\$281,966	\$584,504	\$623,070
Staffing			
Receptionist	1.00	0.00	0.00
Total	1.00	0.00	0.00

Finance

The Finance Division seeks to provide the highest quality financial management, support, fiduciary oversight, and public accountability to the DCTA Board and stakeholders. In pursuit of this outcome, the Finance team management, and staff are committed to the following principles:

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

Departmental functions include responsibilities for accounting and financial reporting, budget and long-range financial planning, treasury and investing function, and risk management.

Finance

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$1,171,788	\$1,197,279	\$1,085,388
Outsourced Services & Charges	283,658	472,688	402,373
Materials & Supplies	3,162	4,865	5,160
Utilities	-	-	-
Insurance	16,608	23,500	25,127
Employee Development	31,978	52,900	51,300
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Department Budget	\$1,507,195	\$1,751,232	\$1,569,348
Staffing			
Accountant II	1.00	-	-
Accounting Coordinator	1.00	1.00	1.00
Accounting Manager	-	-	-
Accounts Payable Coordinator	1.00	1.00	1.00
Chief Financial Officer	1.00	1.00	-
Director of Safety & Compliance	1.00	-	-
Finance Specialist	-	1.00	1.00
Grants/Budget Coordinator	1.00	-	-
Grants Administrator	-	1.00	1.00
Payroll Administrator	1.00	1.00	-
Senior Accountant	-	1.00	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	1.00
Senior Manager of Grants	1.00	-	-
Vice President of Finance	-	-	1.00
Total	10.00	9.00	8.00

Finance
Looking Ahead
FY26 Objectives & Performance Measures

LONG RANGE FINANCIAL PLANNING (LRFP): Progress Long Range Financial Plan to identify 20-year time horizon, support development of operations modal efficiency alternatives, refresh peer agency review and benchmarking, and evaluate DCTA G&A costs versus those benchmarks. Identify projects in the LRFP and identify grant opportunities. For example, identify funding sources, make application, and secure funding for the Downtown Carrollton Extension on the A-train Corridor and identify other grants to help with 15-minute headways for A-Train, TOD, Fleet Replacement, other ELP items, etc.

DATA VISUALIZATIONS:

Produce simplified, repeatable-through-automation Cost Per Service Hour analysis across all modes in tabular format, reflecting lessons learned from FY25. Develop and deploy methodology to communicate service cost allocations across all member cities and share of costs attributed to administrative costs applied to contracted services.

Create visualizations showing the division of revenue by cost center (passenger revenue, contract revenue, grant revenue, sales tax, etc) and by mode. Also, create visualizations for cost per trip for revenue and fares, grants, local funding, etc.

Create and develop KPI's to measure fares collected versus ridership to enable identification of improvement trends

Progress overall repository of internal data visualization dashboards - explore automated financial reporting dashboards and integration with Operations data, including NTD and PTASP.

Gain an understanding of the grant funding formula generated by service miles and population and determine how impacts of service changes. Create visualizations showing the division of revenue by cost center (passenger revenue, contract revenue, grant revenue, sales tax, etc) and by mode. Research any alternative revenue sources.

STREAMLINE FINANCIAL PROCEDURES

Convert all vendors and external payments made by DCTA to wire or other electronic means to eliminate check writing and handling inside the department. Provide regular reporting and updates, noting exceptions for vendors unable to transition for legitimate technical or business reasons.

Finance
Performance Measure Results
FY25 Progress Report

- **LONG RANGE FINANCIAL PLANNING** Implemented meetings to promote dialogue with the Executive Team and project managers 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. The meetings allowed all parties to align key project initiatives as well as expected costs for the next 12 years. The goal in FY26 is to roll this out to a 20-year outlook.
- **ERP IMPLEMENTATION AND REPORTING** The Finance department finalized the implementation of Finance module of Enterprise Resource Program. They learned the system and administered end user training as well as several other training modules for key staff. That has allowed the department to have clarity on financial data and processes. It will also allow for easier access to the data for operating costs for each transportation service offering: GoZone, Connect, UNT, Mobility Services, etc. And, to initiate and explore automated financial reporting dashboards and integration with operations data.
- **MAJOR PROJECT SUPPORT** The Finance department has met with Executive leadership to obtain the vision for how to partner with the Operations team to join financial data with operational data for our modes of transit. In the coming year, new reports and dashboards will be created that will grow off this foundational work. This will enable 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** Executive leadership with the help of Finance was able to renegotiate several key contracts this fiscal year. In addition, it has a focus on the New Member and Contracted Service Policy currently set and future opportunities for expanding service. The department is working on developing cost models for service delivery to non-member cities, universities, and other major demand drivers that ensures protection of member city funds and encourages membership in DCTA.
- **CORE FUNCTION SUPPORT** The department has started to develop some opportunities to cross -train, and is setting goals and a development plan for all staff. The focus is to 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. FY2025 was heavily focused on getting the new ERP stood up. But in FY26, there are opportunities to grow and develop staff to retain, create tenure, and move the agency forward toward its strategic goals.

Customer Service

The Customer Service department is the main point of contact for passengers. They take calls and handle inquiries about fixed-route, on-demand, and rail services, providing information on fares/routes, scheduling trips, resolving issues, selling tickets, managing communications, and ensuring compliance, especially for ADA services, with a focus on professional, timely, and accurate support for diverse riders. The Customer Service department was formerly part of NTMC, but when DCTA absolved NTMC, the department became employees of the agency. This is the first time Customer Service is represented in the budget book.

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$105,220	\$524,477	\$506,485
Outsourced Services & Charges	72,311	5,130	146,100
Materials & Supplies	3,611	10,100	13,500
Utilities	52,254	70,520	77,440
Insurance	-	500	595
Employee Development	1,204	14,820	11,220
Leases & Rentals	818	2,200	-
Depreciation	-	-	-
Total Dept Budget	\$235,417	\$627,747	\$755,340
Staffing			
Customer Experience Coordinator	-	-	5.00
Customer Service Manager	-	1.00	1.00
Lead Customer Experience Coordinator	-	-	1.00
Total	0.00	1.00	7.00

Customer Service

Looking Ahead

FY26 Objectives & Performance Measures

Reduce customer service call volume by expanding customer self-service options and proactive customer education, while maintaining or improving customer experience quality across the transaction and follow-up stages of the trip cycle.

- Partner with VIA to analyze current call drivers and transition appropriate customer service functions to in-house handling to improve service quality.
- Partner with Information Technology to implement a robust, scalable phone system that leverages AI and automation to reduce calls while improving access for paratransit customers.
- Collaborate with SPARE to implement AI-supported ride-booking capabilities that allow paratransit customers to independently book, modify, and confirm trips.

Strengthen customer understanding during service changes, disruptions, and major initiatives by implementing standardized, accessible, and compliant customer communication protocols across all modes and channels.

- Develop and implement standard scenario-based communication templates and protocols in partnership with MarCom and Operations.
- Partner with the Transit App to capture relevant, real-time passenger feedback during key moments of the trip cycle (planning, boarding, in-transit, and post-trip).

Build data-driven customer feedback and service standards framework that drives measurable customer experience improvements and supports agency-wide strategic initiatives.

- Implement improved customer satisfaction and feedback tracking mechanisms.
- Use the feedback retrieved from customer satisfaction surveys to launch two customer experience improvements.
- Conduct a Language Access/Limited English Proficiency (LEP) Study to assess the language needs of DCTA's service area and customer base, ensuring customer feedback mechanisms, service standards, and communications are equitable, accessible, and aligned with Title VI requirements. Use study finding to inform data-driven improvements to customer service delivery and communication strategies.

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$468,747	\$1,334,537	\$1,208,000
Outsourced Services & Charges	905,337	1,095,000	972,626
Materials & Supplies	-	-	-
Utilities	2,208	6,000	-
Insurance	-	-	-
Employee Development	42,784	25,900	25,900
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$1,419,076	\$2,461,437	\$2,206,526
Staffing			
Capital Planning and Maintenance Manager	-	1.00	1.00
Custodian	-	1.00	-
Data Analytics Manager	-	1.00	-
Data & Modeling Analyst	-	-	1.00
Facilities Maintenance Technician	-	1.00	1.00
Lead Facilities Technician	-	1.00	1.00
Manager of Data Management & Analytics	1.00	-	-
Planning & Data Analytics Manager	1.00	-	-
Planning & Development Coordinator	1.00	-	-
Planning & Operations Analyst	-	1.00	1.00
Planning Analyst	-	1.00	1.00
Planning Manager	-	1.00	1.00
Project Controls Specialist	-	1.00	1.00
Service Design & Performance Manager	-	1.00	-
VP of Planning & Development	1.00	1.00	1.00
Total	4.00	11.00	9.00

Planning & Development

Looking Ahead
FY26 Objectives & Performance Measures

ADVANCE SERVICE EXPANSION AND INFRASTRUCTURE DEVELOPMENT

- Implement A-Train Enhancement Program elements to improve reliability, convenience, and integration with other transit modes. – Curve and Speed, Prelim engineering to Downtown Carrollton, Schematic design for 15 min headways, PTC and Service hours expansion analysis, and Corinth station development.
- Lead implementation of Intermediate Service Plan Phase III to optimize service delivery, enhance coverage, and increase ridership.
- Advance Transit-Oriented Development at Old Town Lewisville through concept refinement, developer/partner selection and agreement.
- Coordinate cross-departmental and stakeholder engagement to align these initiatives under a unified service improvement framework.

KICK OFF LONG RANGE SERVICE PLAN (LRSP) AND FACILITIES ASSESSMENTS TO ENSURE FINANCIAL PLAN INTEGRATION

- Start development of the LRSP with updated ridership goals, fare policy framework, and service design roadmap for FY27–FY30.
- Integrate LRSP findings into the Long Range Financial Plan (LRFP) to ensure sustainable funding and capital investment alignment.
- Integrate Facilities Assessment findings into the LRFP to ensure capital asset repairs and replacements are completed in line with life cycle of the asset

STRENGTHEN REGIONAL PARTNERSHIPS AND ORGANIZATIONAL CAPABILITY

- Collaborate on Regional Transit 2.0 initiatives to promote coordinated regional service strategies.
- Expand university and city partnerships, including UNT, TWU, Frisco, Allen, and Coppell.
- Enhance departmental core functions through process documentation, staff development, and succession planning.

Planning & Development
Performance Measure Results
FY25 Progress Report

AUTOMATED DATA COLLECTION AND REPORTING

- Began development of the central data repository, establishing the foundation for organization-wide integration of operational, safety, and performance data.
- Hired a dedicated Data Analyst to lead creation of digital dashboards and automated reporting elements supporting all departments.
- Restructured departmental responsibilities to include a Data Warehouse Manager and Data Analyst to ensure continuous data integration and analytics support.
- Documented a Standard Operating Procedure (SOP) and developed a guidelines manual for data governance to standardize data collection, management, and reporting practices across the agency.

Result: Framework established; data infrastructure team onboarded and SOP finalized—positioning DCTA for building of central repository of data

A-TRAIN ENHANCEMENT PROGRAM

- Engaged onboard program management consultant to validate previous curve and speed study findings and provide implementation recommendations.
- Identified long-term benefits and financial impacts of expanded A-Train operations to inform Board decisions.
- Developed operational alternatives to implement for speed increases as part of the curve and speed enhancements projects
- Developed scopes, negotiated fees, and obtained Board approvals for Task Orders for:
 - Preliminary engineering of Downtown Carrollton and Schematic Design of 15-min Headway
 - Construction Support for Curve and Speed Improvements
 - Authorization for Rio Grande Pacific for Curve and Speed Improvements Construction
 - PTC Analysis and Service Hours Expansion Assessment

Result: All FY25 A-Train enhancement milestones achieved. Task Orders for design and construction support approved, consultant work initiated, and physical curve and speed improvement projects cleared for FY26 construction phase—positioning DCTA for increased service speed, reliability, and system integration.

PRIORITY PLANNING EFFORTS - INTERMEDIATE SERVICE PLAN PHASE II

- Led alignment between staff and executive team for ISP Phase II implementation.
- Reallocated GoZone resources from University areas to enhance coverage and efficiency in fixed-route areas.
- Integration of A-train into GoZone app completed
- GoZone white point pick-up/drop off location audit and recommendation implementation
- Transit App Launch Completed

Result: ISP Phase II implemented successfully ahead of schedule (August FY25).

Planning & Development
Performance Measure Results
FY25 Progress Report

UNIVERSITY SERVICE CONTRACT EVOLUTION

- Initiated collaboration with Texas Woman's University (TWU) to demonstrate the value of DCTA's GoZone network and explore service expansion opportunities.
- Successfully presented cost of service metrics with UNT and provided service consolidation and efficiency options to reduce expenses
- Began prelim concepts for ISP Phase III that provides more efficient and cost effective bus operations to the Universities

Result: UNT contract negotiations started; TWU partnership discussions ongoing for FY26 refinement.

OLD TOWN LEWISVILLE TRANSIT ORIENTED DEVELOPMENT

- Coordinated efforts between DCTA Board, City of Lewisville, consultants, and staff to advance TOD concept planning.
- Completed RFQ/RFP development process for developer solicitation.
- Developed framework for funding strategies and stakeholder coordination.

Result: TOD progressed to developer procurement stage; implementation targeted for FY26.

LONG RANGE SERVICE PLAN

- Completed A&E solicitations and began the scoping meetings for the Long Range Service Plan.
- Documented findings from Intermediate Service Plan I and II to integrate into future planning development
- Integrated LRSP milestones into Long Range Financial Plan (LRFP) for financial alignment and monitoring.

Result: Planning milestones achieved

LONG RANGE CAPITAL PLANNING

- Established cross-departmental process to identify facility, vehicle, and equipment needs for long-term planning.
- Integrated capital planning discussions into the LRFP to support data-driven resource allocation.
- Maintained detailed capital sub-items for quarterly Executive Team review.

Result: Fully integrated LRFP capital planning framework operational by FY25 Q4

CORE FUNCTION SUPPORT

- Defined core operational processes, policies, and procedures within the Planning & Development Department.
- Identified organizational gaps and developed mitigation strategies, including succession planning and talent development.
- Supported continuous improvement through clearer role definitions and accountability.

Result: Established robust internal framework for operational growth

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$358,503	\$360,589	\$281,982
Outsourced Services & Charges	294,071	535,950	696,450
Materials & Supplies	21,129	29,050	37,140
Utilities	156	-	-
Insurance	-	-	-
Employee Development	14,909	35,500	35,500
Leases & Rentals	3,364	5,500	5,500
Depreciation	-	-	-
Total Dept Budget	\$692,132	\$966,589	\$1,056,572
Staffing			
Communications Specialist	1.00	-	-
Community Relations Manager	1.00	1.00	-
Director of Marketing & Communications	-	1.00	1.00
Manager of Marketing and Communications	-	1.00	1.00
Marketing Business Development	1.00	-	-
Marketing Specialist	1.00	-	-
Marketing & Communications Specialist	-	1.00	1.00
Total	5.00	3.00	2.00

Marketing & Communications

Looking Ahead

FY26 Objectives & Performance Measures

LEAD THE DEVELOPMENT AND EXECUTION OF A REVENUE-GENERATING ADVERTISING PROGRAM

- Identify, evaluate, and secure a qualified advertising revenue partner/vendor.
- Launch the advertising program across agency-owned assets (e.g., vehicles, stations, digital platforms) with measurable performance metrics.

CONTINUE TO OPTIMIZE AND EXECUTE THE 18-MONTH INTEGRATED MARKETING AND COMMUNICATIONS CALENDAR THAT DRIVES AUDIENCE ENGAGEMENT, SUPPORTS AGENCY INITIATIVES, AND ALIGNS WITH FEDERAL COMPLIANCE STANDARDS (E.G., TITLE VI, ADA, PUBLIC PARTICIPATION PLAN, FTA CIRCULAR 9030.1E)

- Position the agency as a trusted, community-centered mobility provider through purpose-driven storytelling, proactive media engagement, and crisis communication readiness.
- Develop baseline KPIs and increase key engagement metrics (e.g., social media reach by 25%, engagement rate by 15%, website CTR by 20%) within 12 months. Gain executive buy in on KPIs and goals for improvement.

LEAD STRATEGIC COMMUNICATIONS AND PUBLIC ENGAGEMENT TO SUPPORT THE ROLLOUT OF FARE COLLECTION TECHNOLOGY UPGRADES AND FARE POLICY REVIEW, AS WELL AS ISP III AND A-TRAIN DEVELOPMENTS

- Coordinate multi-channel messaging (web, social, press, stakeholder briefings, rider-facing materials) to increase rider understanding and support.
- Provide executive-level reporting on community input trends and sentiment to inform fare policy recommendations.

Marketing & Communications

Performance Measure Results

FY25 Progress Report

MARKETING AND COMMUNICATIONS PROGRAM

- DCTA made excellent progress this year by partnering with an external Marketing firm, Ruby Media, to help lead the strategy and design related to the annual program.
- Campaigns this year have run smoothly and on time with this external help and DCTA has grown their visibility in the community and online.
- DCTA continues work on building relationships with member cities and other local municipalities and is working towards adding these efforts to a roadshow as part of the FY26 annual calendar.
- The Advertising Revenue Policy was approved by the Board this year and staff is working to have a secured Ad Rev partner in FY26 to help launch the program.

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$358,479	\$708,375	\$1,057,438
Outsourced Services & Charges	118,058	411,362	592,753
Materials & Supplies	427	505	13,750
Utilities	-	-	-
Insurance	-	-	-
Employee Development	14,253	70,810	64,600
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$491,217	\$1,191,053	\$1,728,541
Staffing			
Director of Human Resources	1.00	-	-
Human Resource Generalist	-	2.00	2.00
Human Resources Technician	1.00	1.00	-
Human Resources & Training Specialist	1.00	-	-
Human Resources Manager	-	1.00	-
Human Resources Specialist	-	-	1.00
Labor Relations Specialist	-	-	1.00
Payroll Administrator	-	-	1.00
Senior Manager of Human Resources	-	1.00	1.00
Vice President of Engagement & Administration	-	1.00	1.00
Total	3.00	6.00	7.00

Human Resources

Looking Ahead

FY26 Objectives & Performance Measures

LEAD THE EXECUTION AND COMPLETION OF KEY HR INITIATIVES THAT ENHANCE ORGANIZATIONAL PERFORMANCE, COMPLIANCE, AND EFFICIENCY ACROSS THE AGENCY

- Manage implementation of the UKG upgrade/modernization through full project lifecycle — on time, within scope, and budget.
- Develop and deploy a technology-based organizational performance management system, ensuring integration with HRIS and alignment with agency KPIs.
- Update and make improvements with cross-collaboration with all departments on a well-defined employee onboarding program and experience to support employees as they start with DCTA

ENSURE HR OPERATIONS AND LABOR PRACTICES MEET ALL APPLICABLE LAWS, REGULATIONS, AND AGENCY STANDARDS THROUGH POLICY DEVELOPMENT AND COMPLIANCE ASSURANCE

- Deliver at least three new or updated HR policies and procedures governing core functions (e.g., leave management, classification/compensation, and employee conduct) for executive review.
- Define and execute the annual training and development program focused on compliance, leadership, and customer service excellence.

WORK TO SCOPE, DESIGN, AND COMPLETE THE ORGANIZATIONAL PERFORMANCE EVALUATION (ELP) INITIATIVE TO ALIGN STRUCTURE, ROLES, AND OUTCOMES WITH AGENCY STRATEGY

- Complete a full FLSA (Fair Labor Standards Act) audit and understand potential compliance gaps (ELP Project).
- Understand impact of current state and make recommendations for future state.
- Establish policies to support needed changes through lessons learned in study.

Human Resources

Performance Measure Results
FY25 Progress Report

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.

- The NTMC transition offered opportunity to revise and re-issue the DCTA Employee Handbook, DCTA Drug and Alcohol Policy, and other Human Resources standards. Staff also revised and submitted the Agency's Title VI Policy and Public Transit Agency Safety Plan with standup of a new Joint Safety Committee.
- Staff created an overall outline of policies required and will continue to work on those in FY 2026.
- While leading ERP efforts, several challenges were identified that were likely to put the agency's processes, employee experience and applicant experience in jeopardy. Staff made efforts to evaluate options and weigh costs and benefits of progressing versus taking a different path. Staff is moving forward in FY26 with a plan to improve the systems we have in place and grow these in a way that will enhance process, experience and efficiency.

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 1 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.

- Staff successfully completed work with IT on Phase I of security access and control, ensuring all employees are in the system, received access passes, as well established internal processes to align security and access to HR processes like leaves and separations as needed.

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.

- Staff has made progress towards this and identified key policies for development and implementation to ensure legal compliance.
- Identified policies were rolled out to the entire organization and training was completed for compliance in these areas.

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$609,147	\$788,487	\$980,170
Outsourced Services & Charges	440,360	737,275	1,066,822
Materials & Supplies	108,003	122,700	82,750
Utilities	7,656	116,800	29,280
Insurance	-	-	-
Employee Development	21,537	41,050	41,050
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$1,186,704	\$1,806,312	\$2,200,072
Staffing			
Application Support Specialist	1.00	-	-
AVP of Innovation & Information Technology	1.00	-	-
Data Warehouse Developer	-	-	1.00
Director of Information Technology	-	-	1.00
Enterprise Applications Engineer	-	1.00	1.00
Information Technology Support Coordinator	1.00	-	-
IT Coordinator Security System	1.00	-	-
IT Support Coordinator	-	1.00	1.00
Operations Technology Support Coordinator	-	-	1.00
Securities System Coordinator	-	1.00	-
Senior Manager of Information Technology	1.00	1.00	-
Systems Administrator	-	1.00	1.00
VP Innovation and IT	-	1.00	1.00
Total	5.00	6.00	7.00

Innovation & Information Technology

Looking Ahead

FY26 Objectives & Performance Measures

ENHANCE OPERATIONAL TECHNOLOGY (OT) RELIABILITY ACROSS FLEET & FACILITIES

- Develop and implement an OT maintenance and monitoring program covering cameras, automatic passenger counters, mobile data terminals, and security technology.
- Perform semi-annual audits, increase OT uptime, and establish the IT department as the primary owner for security and access control systems, including certification on specific systems.

EXPAND AND STANDARDIZE DATA REPORTING & DASHBOARDS

- Partner with Operations, Finance, and Customer Service to create or enhance data dashboards for safety, service, ridership, asset performance, reliability, and other strategic metrics.
- Standardize data definitions, create SOPs for dashboard updates, and ensure all dashboards refresh automatically by automating the ETL process.

IMPLEMENT PHASE II OF THE ELECTRONIC SECURITY AND ACCESS CONTROL PROGRAM ON TIME, AND ON BUDGET

- Install on-board vehicle technology to include mobile surveillance providing camera coverage of DCTA's operations assets like trains and buses.
- Integrate upgraded surveillance, access control, and monitoring systems that enhance safety, improve incident response, and support real-time operational visibility.
- Deploy passenger facing digital signage providing enhanced customer experience by providing real time data on next train arrival.

Innovation & Information Technology

Performance Measure Results

FY25 Progress Report

ELECTRONIC SECURITY AND ACCESS CONTROL

- Delivered Phase I on time and on budget, completing all scope elements without change orders or schedule extensions.
- Installed security cameras and access control across all stationary assets, including administrative buildings, maintenance facilities, and passenger-facing locations.
- Built and activated a central Security Operations Center (SOC) to support real-time monitoring of facilities, with capacity for future integration of vehicle camera systems.
- Completed major technology infrastructure upgrades, including new servers, network enhancements, and backend systems to support increased video retention and access control workloads.

Innovation & Information Technology

Performance Measure Results
FY25 Progress Report

ENTERPRISE RESOURCE PROGRAM

- Successfully delivered the Finance ERP implementation on time and on budget, meeting all project milestones and functional requirements
- Provided cross-departmental IT support throughout configuration, testing, data migration, and go-live activities to ensure a smooth transition from legacy systems.
- Target timeline for HR Module completion, with full implementation estimated within FY26.

IMPROVE CUSTOMER EXPERIENCE

- Identified key customer service improvement areas through analysis of current systems, customer touchpoints, and workflow dependencies, and developed a plan for upgrading key systems to provide improved response times and reliable call handling.
- Scoped and advanced new passenger station signage for A-train platforms, including wayfinding enhancements and real-time arrival/departure displays.
- Collaborated with regional partners to support planning for next-generation fare collection systems, ensuring interoperability and a more seamless customer journey across the metroplex.

DATA TECHNOLOGY INTEGRATION

- Identified and documented critical data sets and data structures needed to support cross-departmental reporting and analytics.
- Created new business intelligence databases to begin the function of centralizing and standardizing financial, operational, and performance data.
- Laid the foundational architecture for a future data warehouse, including schema planning, data mapping, and integration design.

CORE FUNCTION SUPPORT

- Cross-trained IT staff across multiple functional areas, strengthening operational coverage and reducing single points of failure for key systems.
- Improved the agency's overall network and cybersecurity posture, including vulnerability reduction, monitoring improvements, and tighter access controls.
- Enhanced operational stability by building team knowledge in networking, cybersecurity, system administration, and OT support.

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 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$253,465	\$340,545	\$342,642
Outsourced Services & Charges	21,849	36,460	36,460
Materials & Supplies	-	4,000	4,000
Utilities	-	-	-
Insurance	-	-	-
Employee Development	5,529	23,205	20,100
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Dept Budget	\$280,843	\$404,210	\$403,202
Staffing			
Procurement Coordinator	-	1.00	1.00
Senior Manager of Procurement & Compliance	1.00	1.00	1.00
Senior Procurement Specialist	1.00	1.00	1.00
Total	2.00	3.00	3.00

Procurement & Compliance

Looking Ahead

FY26 Objectives & Performance Measures

STAKEHOLDER TRAINING AND ENGAGEMENT

Set up monthly meetings with all Procurement stakeholders to discuss contracts, task orders, bids, RFP/RFQ, or large procurements on the horizon to ensure proper procedure and partnership.

Establish a training curriculum for new employees to learn the requisition to PO process and best practices. Help create a formalized procurement process overview for staff on topics such as vendor selection, quotes, evaluation of suppliers, ending relationships with suppliers, use of co-ops.

MAJOR PROCUREMENTS: Work alongside Planning and Finance to help lead large procurements such as the TOD project, bus and non-revenue vehicle purchases, equipment, technology products, etc. Participate in meetings with developers, the evaluation process, and creating a well documented and structured procedure for construction of the new TOD.

ANNUAL PROCUREMENT PROGRAM: By utilizing Smartsheet's establish a structure around contracts and bids, create a transparent view of all of these, create a timeline, have a plan to stay on top of these while creating an overview and visibility for the executive team.

Procurement & Compliance

Performance Measure Results

FY25 Progress Report

Enhance DCTA Policies to reflect current best practices

Reviewed the procurement manual in the hopes of updating it in the new fiscal year; Also reviewed the P-Card Policy which is being updated in FY26; Put a hold on updating the DBE program until receiving more clarity came from the federal government

Create efficiencies agency-wide to streamline all procurement transactions

Created and launch new forms in SmartSheet for procurement tasks to streamline the process and reduce emails. Also streamline contract and task order administration process. Expanded the use of Adobe Sign for all multi-level transactions and for signature of task orders, and contracts so they go through the same repository.

Educate all staff on the current processes and laws associated with procurement and contracts

Created a comprehensive training for our new enterprise reporting program (ERP), Tyler Munis and trained all end users. Administered some training for contracts, procurement, and other finance related topics, and plan to do this annually with staff and with new hires as needed.

Create new guides for procurement tasks and transactions related to new processes in our ERP.

Mobility Services

In February 2019, the DCTA Board of Directors approved the North Texas Mobility Corporation Certificate of Formation and associated Bylaws. It served as a fully functional Local Government Corporation (LGC) until FY2024. NTMC operated with a Board of Directors appointed by the DCTA Board of Directors, and Board officers. It also had its own budget and contracting authority.

DCTA ended its management agreement with the NTMC in 2024, transitioning bus operations in-house by hiring NTMC's employees directly to improve services and efficiency, with the NTMC formally dissolving by August 2024.

Mobility Services encompasses Bus Administration, services for fixed-route and demand-response for ADA/paratransit, Supervisors & Dispatch, and Bus Maintenance.

- DCTA budget includes revenues and all other bus operations expenses:
 - Passenger fares
 - Contract revenue
 - Bus Operations Management
 - Salaries & benefits for DCTA employees
 - Services contracted by DCTA
 - Materials and supplies
 - Auto liability insurance
 - Purchased transportation contracts
 - Depreciation

Operating & Capital Budget - 2026

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses - DCTA Mobility Services			
Salary, Wages, Benefits	\$2,099,577	\$8,278,235	\$8,162,646
Outsourced Services & Charges	843,018	1,164,265	1,204,408
Materials & Supplies	809,804	1,913,472	1,885,912
Utilities	193,455	125,600	234,540
Insurance	29,549	394,300	367,701
Purchased Transportation	12,359,576	12,828,274	13,366,174
Employee Development	42,376	61,420	84,955
Leases & Rentals	3,751	11,000	11,000
Depreciation	895,600	918,760	560,508
Total Department Budget	\$17,276,706	\$25,695,326	\$25,877,844

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses - NTMC Bus Services			
Salary, Wages, Benefits	\$4,225,330	-	-
Outsourced Services & Charges	172,501	-	-
Materials & Supplies	6,885	-	-
Utilities	-	-	-
Insurance	72,263	-	-
Purchased Transportation	-	-	-
Employee Development	27,533	-	-
Leases & Rentals	-	-	-
Depreciation	-	-	-
Total Department Budget	\$4,504,512	\$0	\$0

Mobility Services

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Mobility Services Staffing			
ADA Coordinator/TT	-	1.00	1.00
Asset Management Coordinator	1.00	1.00	1.00
Bus Operations Coordinator	1.00	-	-
Bus Operations Manager	1.00	1.00	-
CDL Bus Operator	-	53.50	55.00
Chief Operating Officer	0.50	0.75	-
Customer Experience Coordinator	-	5.00	-
Customer Service Manager	1.00	2.00	-
Director of Bus Operations	-	1.00	1.00
Director of Operations Support	-	-	1.00
Director of Transportation	1.00	1.00	1.00
Fleet & Maintenance Manager	-	-	1.00
Lead Mechanic	-	2.00	2.00
Maintenance Manager	-	1.00	-
Manager of Operations Support	1.00	-	-
Mechanic I	-	4.00	1.00
Mechanic III	1.00	-	3.00
Mobility Services Coordinator	-	-	-
Mobility Services Manager	1.00	-	-
Mobility Specialist	-	1.00	1.00
NON-CDL Bus Operator	-	9.00	8.00
Operations Analyst	1.00	-	-
Operations Budget & Admin Manager	-	-	1.00
Operations Supervisor	-	8.00	8.00
Operations Manager	-	2.00	1.00
Operations Training Manager	-	-	1.00
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	-	-	-
Senior Manager of Mobility Services	1.00	1.00	1.00
Service Attendant	-	4.00	3.00
Supply Coordinator	-	-	-
Training Instructor	-	1.00	2.00
Vice President Operations	-	-	1.00
Total - DCTA Mobility Services Staffing	12.50	101.25	94.00
Contracted Bus Services (NTMC) - Staffing			
Bus Administration Department	3.00	-	-
Customer Service Department	7.00	-	-
Supervisors/Dispatchers Department	8.00	-	-
Maintenance Department	15.00	-	-
Bus Administration Department	62.00	-	-
Total - NTMC Bus Services Staffing	95.00	0.00	0.00

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

Mobility Services

Looking Ahead

FY26 Objectives & Performance Measures

OPERATIONS DASHBOARD

- Operations-Implementation of an Operations Dashboard designed to track and display critical performance indicators including OTP (by route and driver), employee attendance, vehicle availability, hirings and terminations, as well as road calls and maintenance cost by mile.

OPERATOR REFRESHER TRAINING

- Bus Operations-To improve service quality and safety, all bus operators will complete refresher training designed to strengthen customer service performance and reinforce safe driving standards.

ENHANCE ACCESS (PARATRANSIT) SERVICE RELIABILITY AND MAINTAIN ON-TIME PERFORMANCE

- Implement new bid schedule with reduction in the number of drivers needed.
- Provide driver and dispatcher SPARE training focused on communication and efficiency.
- Monitor monthly performance metrics and address service delays.

IMPROVE MOBILITY CUSTOMER ENGAGEMENT AND FEEDBACK PROCESS

- Discuss turning on Rider Feedback in SPARE and putting a KPI on it.
- Conduct biannual survey with Access (Paratransit), Microtransit & On-Demand customers.
- Develop a formal feedback-to-action reporting process.

INTEGRATE MOBILITY METRICS INTO DCTA'S INTERNAL VISUALIZATION DASHBOARD (POWER BI)

- Collaborate with Operations Support to ensure Mobility performance metrics are included in dashboards.
- Train staff on dashboard use for data-driven decisions & transparency

ENSURE THE DEVELOPMENT, IMPLEMENTATION, AND MONITORING OF THE STANDARD OPERATING PROCEDURES (SOPs) FOR MICROTRANSIT (GOZONE) CONTRACTOR VIA

- Conduct a comprehensive review of current VIA policies and identify gaps in safety, customer service, and dispatch operations.
- Collaborate with contractor management to draft SOPs covering trip scheduling, driver conduct, ADA compliance, safety protocols, and incident response.
- Establish performance metrics tied to SOP adherence (e.g., on-time performance, customer complaints, safety incidents).

ACCIDENT REDUCTION

- Bus Operations- To improve passenger safety and enhance customer experience by reducing preventable accidents by 10% compared to the previous year. This will be achieved through targeted operations training for all bus operators and collaboration with the Safety Department to ensure monthly safety meetings address accident trends from the previous month and reinforce safe driving practices.

Mobility Services

Performance Measure Results

FY25 Progress Report

Leverage data-driven insights across all transportation modes to achieve a 1% year-over-year improvement in key performance indicators (KPI's) 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.

- Goal was achieved in Q4 of FY25. Data analytics have been achieved utilizing Power BI. Several dashboards are produced monthly in addition to special reports being run on an ad hoc request basis.

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.

- Goal was achieved in Q4 of FY25. Data analytics have been achieved. Have real-time road / construction alerts from local municipalities to assist in this area. This in addition to regular feedback from drivers and community engagement.

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.

- Work in progress. With PREFtech actions at station locations visibility to riders will soon be achieved. In particular the arrival and departure monitors with real time train status.

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.

- Goal achieved. All SLA's, contracts, and appropriate Task Orders have been submitted.

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.

- Completed. Multi year contract in place with incumbent provider.

Mobility Services

Performance Measure Results
FY25 Progress Report

Mobility As A Service: Support the solicitation and negotiation process for Demand-Response and TNC 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.

- Completed for current need. Objective continues in FY26 with under contact providers as opportunities present themselves.

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

- Work in progress. CEO is in advanced discussions with UNT. Operations is prepared to execute the eventual outcome of these on-going discussions.

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.

- Completed. Open data sharing and conversations amongst departments

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.

- High level of collaboration exists with operations supplying data, perspective and assistance in this area.

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.

- Several contracts have been renewed or established in this area to achieve the objective.

Mobility Services

Performance Measure Results
FY25 Progress Report

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.

- Present opportunity in this area is focused on Frisco to fulfill Microtransit in the city.

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.

- Fleet plan has been retooled. In the process of acquiring six new full sized buses and evaluation of the cutaway fleet in on-going

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.

- Working closely with Planning in this area. Six new buses have been ordered in addition to three non-revenue vehicles.

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.

- Operations is fully supporting ISP phase III.

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.

- With the support of procurement Operations has taken the lead in this area.

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.

- This is a long-term goal and as of FY25 only future planning has been considered.

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.

Mobility Services

Performance Measure Results
FY25 Progress Report

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.

- Operations continues to assist in this area.

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.

- Key hires were made in FY25 to support in this area.

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.

- Operations has taken an active roll in this area including revamping the safety policy and training standards for our drivers.

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.

- This continues to be an area of focus.

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.

- This continues to be an area of focus.

Rail Services

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

	FY 2024 Actuals	FY 2025 Working Budget	FY 2026 Adopted Budget
Expenses			
Salary, Wages, Benefits	\$286,786	\$3228,624	\$177,060
Outsourced Services & Charges	829,909	842,904	912,835
Materials & Supplies	686,892	1,038,628	755,000
Utilities	262,125	391,822	390,871
Insurance	757,617	1,555,472	1,602,708
Purchased Transportation	11,528,846	12,225,184	12,944,218
Employee Development	5,811	10,720	10,720
Leases & Rentals	-	-	-
Depreciation	9,859,191	9,809,803	9,891,575
Total Department Budget	\$24,217,177	\$26,103,157	\$26,684,987
Staffing			
Chief Operating Officer	.50	.25	-
Rail Ops Coordinator	1.00	-	-
Senior Manager of Rail Operations	1.00	1.00	1.00
Total	2.50	1.25	1.00

Rail Services
Looking Ahead
FY26 Objectives & Performance Measures

SUPPORT A-TRAIN ENHANCEMENT PROGRAM AND OPERATIONAL ALTERNATIVES

- Continue supporting 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. Continue supporting the development of operational alternatives (15-minute frequency) aimed at enhancing ridership and reducing operational costs, ensuring that the A-train service remains efficient and customer-focused.

A-TRAIN CONTRACT QUALITY CONTROL/ BUDGET PREPARATION

- 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. Assist in the development of future budgets to align with long-term financial planning and operational needs.

IMPROVE QUALITY AND ENHANCE OPERATIONAL EFFICIENCY; CUSTOMER FACING KPI'S

- IDrive initiatives aimed at improving quality and enhancing operational efficiency and implement customer-facing Key Performance Indicators (KPIs) that complement existing contractual KPIs, providing a comprehensive view of service performance. Continue implementation of 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
FY25 Progress Report

SUPPORT A-TRAIN ENHANCEMENT PROGRAM AND OPERATIONAL ALTERNATIVES

- Curve and speed improvements approved August 2025 Board meeting with anticipated completion date September/October 2026.
- A-train extension to Downtown Carrollton preliminary design approved September 2025 Board meeting and is in development.
- Corinth station addition slated for January/February 2026 Board approval.
- A-train extended hours analysis approved September 2025 Board meeting and is in development.

A-TRAIN CONTRACT QUALITY CONTROL/ BUDGET PREPARATION

- FY25 rail capital maintenance complete and within budget with exception of annual brake overhaul project. Due to tariff issues in Europe, brake parts delayed. Anticipate FY25 brake overhaul completion by end of Quarter 1, FY26.
- Five-year rail contract option with Positive Train Control maintenance approved April 2025 Board meeting.
- FY26 rail capital maintenance budget approved August 2025 Board meeting

IMPROVE QUALITY AND ENHANCE OPERATIONAL EFFICIENCY; CUSTOMER FACING KPI'S

- Annual System Safety Plan (SSPP) and Fatigue Risk Management Plan (FRMP) assessment completed and filed with FRA Audit Management Division June 2025.
- Monthly reviews of safety plan are ongoing.
- Rail Operations safety statistics provided during monthly Board information reporting. No safety incidents to report in FY25

Capital Improvement Plan



Operating &
Capital Budget

2026

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.

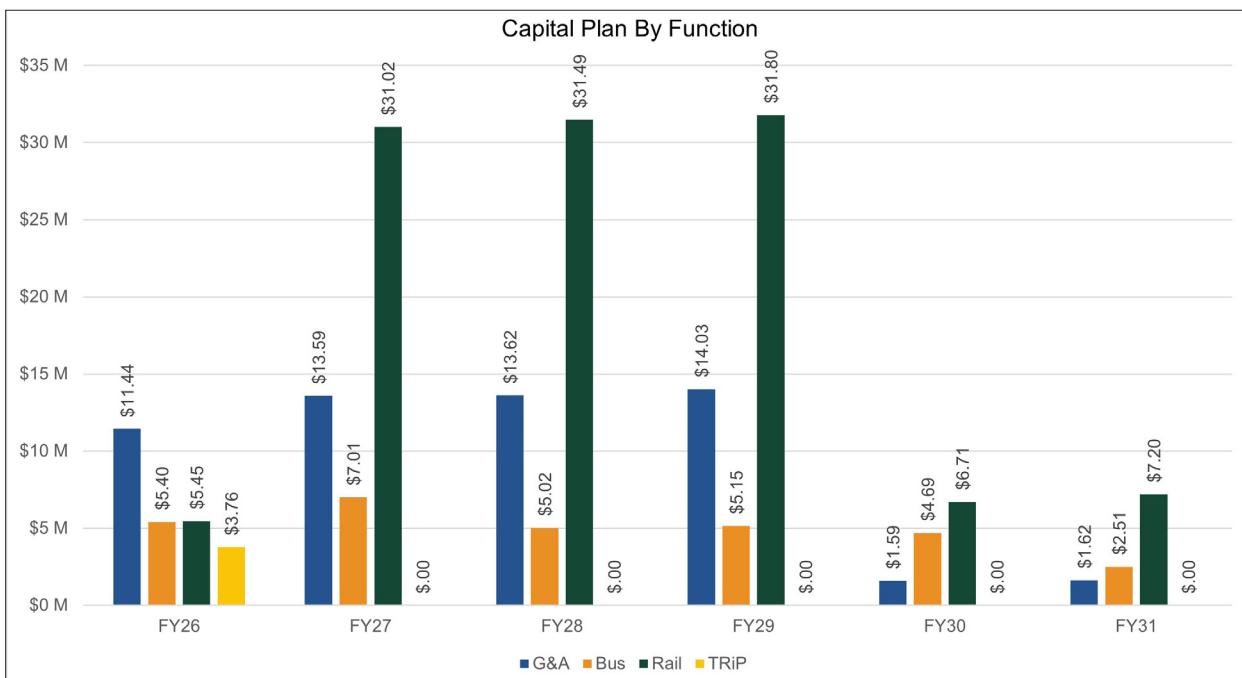
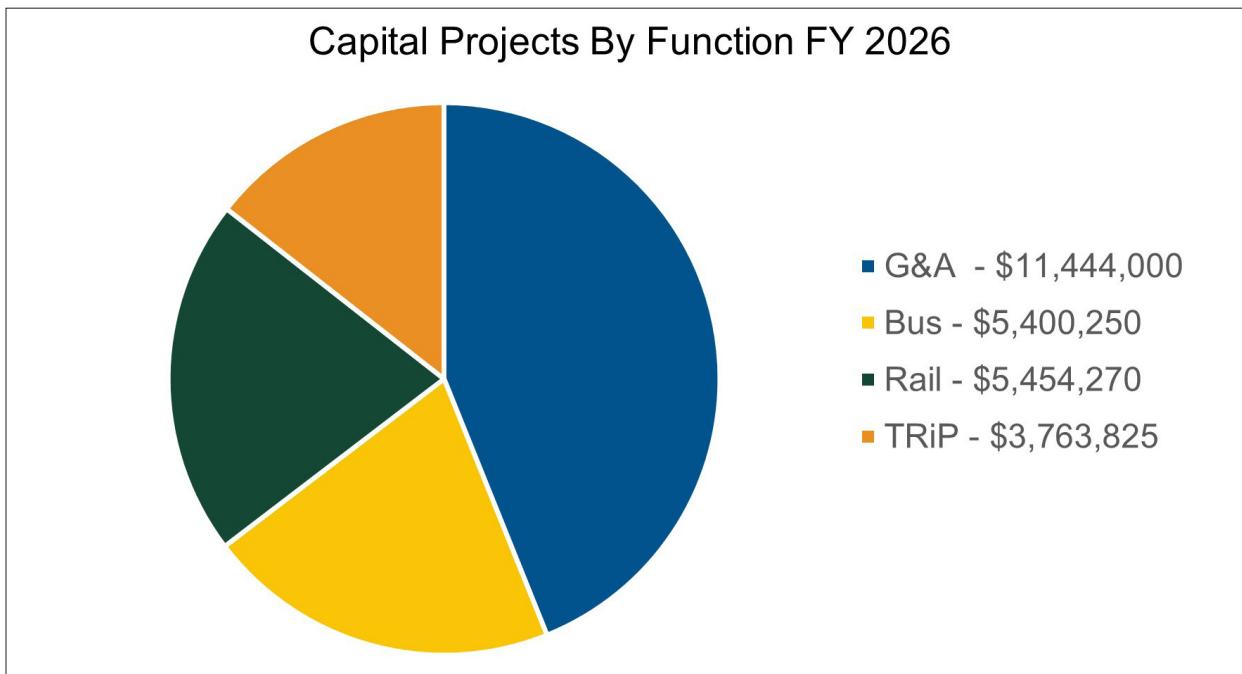
The current year of the CIP is adopted with the approval of the FY25 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and require specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY25 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.

Operating & Capital Budget - 2026

Capital Improvement & Major Maintenance Plan | Summary

Project Name	Project #	Projects thru FY 2024	Adopted FY 2025	Adopted FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030	Proposed FY 2031	Anticipated Project Total (Thru 2031)	
Bus Services											
Fleet Purchase - Bus	50311	-	2,320,000	2,400,000	2,640,000	1,720,000	1,800,000	-	-	10,880,000	
Bus Refurbish (2006 Bus) NEW in FY26	600000	-	-	500,000	1,800,000	600,000	625,000	1,950,000	-	5,475,000	
Bus Push-to-Talk Cradles NEW in FY26	600001	-	-	45,000	-	-	-	-	-	45,000	
Bus Column Lift Repairs or Replacement NEW in FY26	600002	-	-	55,250	-	100,000	-	-	-	125,000	
Dual Facing Camera NEW in FY26	600003	-	-	25,000	-	100,000	-	-	-	125,000	
Fleet -Non-Revenue (1 Service Truck & 2 Non-Rev) NEW in FY26	600004.1 & 2	-	80,000	150,000	120,000	135,000	-	-	-	485,000	
Fleet - Cutaway Bus - NEW in FY26	600005	-	-	225,000	450,000	464,000	720,000	744,000	510,000	3,113,000	
TAM: Fleet Replacement - UNT		400,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000	3,800,000	
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	1,500,000	11,600,000	
Rail Services											
Positive Train Control Enhancements (Phase 2)	61406.2	117,644	2,500,000	-	-	-	-	-	-	2,617,644	
Major Maintenance - Rail FY25	61727.1	-	3,130,608	-	-	-	-	-	-	3,130,608	
Major Maintenance - Rail NEW in FY26	71000	-	-	3,354,270	3,689,697	4,058,667	4,464,533	4,910,987	5,402,085	25,880,239	
RailComm Dispatch Software	61407	-	500,000	300,000	-	100,000	-	-	-	900,000	
Downtown Carrollton A-Train Extension	-	-	-	-	25,533,334	25,533,333	25,533,333	-	-	76,600,000	
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	1,800,000	14,400,000	
G&A Services											
Infrastructure Acquisition	10302.1	3,251,990	1,200,000	-	11,965,670	11,965,670	11,965,670	-	-	40,349,000	
Multi-Facility Firewall Upgrade	10406	60,000	-	-	-	60,000	-	-	-	120,000	
AV Upgrade - DCTA Conference Room	10407	65,000	-	-	-	65,000	-	-	-	130,000	
ERP Implementation	10408.1	500,000	1,600,000	-	-	-	-	-	-	2,100,000	
Server Infrastructure Refresh	10409	450,000	-	-	-	-	500,000	-	-	950,000	
Electronic Safety & Security Program	10411.1	1,502,893	2,685,107	1,578,000	-	-	-	-	-	5,766,000	
Fiber Optic Network - Locate & Improvements	10412.1	-	278,000	175,000	-	-	-	-	-	453,000	
Project Management Software & Implementation	10413.1	-	112,000	-	-	-	-	-	-	112,000	
Cloud-based Phone System NEW in FY26	130000	-	-	81,000	-	-	-	-	-	81,000	
Network Switching Hardware Replacement NEW in FY26	130001	-	-	110,000	-	-	-	-	-	110,000	
A-Train Expanded Service Hours Analysis NEW in FY26	140000	-	-	1,000,000	-	-	-	-	-	1,000,000	
A-Train Curve/Speed Improvements NEW in FY26	140001	-	-	3,000,000	-	-	-	-	-	3,000,000	
A-Train Design Support for 15-Min Headways NEW in FY26	140002	-	-	5,500,000	-	-	-	-	-	5,500,000	
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	
Technology Improvements	-	-	-	-	-	1,500,000	1,530,000	1,560,600	1,591,812	1,623,648	7,806,060
Transportation Reinvestment Program (TRIP)											
TRIP Program Funding - FY21	10702	7,742,135	-	-	-	-	-	-	-	7,742,135	
TRIP Program Funding - FY22	10703	9,833,005	-	-	-	-	-	-	-	9,833,005	
TRIP Program Funding - FY23	10704	11,393,216	-	-	-	-	-	-	-	11,393,216	
TRIP Program Funding - FY24	10705	10,429,152	-	-	-	-	-	-	-	10,429,152	
TRIP Program Funding - FY25	10706	-	5,967,642	-	-	-	-	-	-	5,967,642	
FUTURE: TRIP Program Funding	-	-	-	3,763,825	-	-	-	-	-	3,763,825	
TOTAL CAPITAL BUDGET		48,745,035	24,053,357	26,062,345	51,623,701	50,131,670	50,969,136	12,996,799	11,335,733	275,917,776	

Capital Improvement & Major Maintenance Plan | Summary



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 FY 2026. 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; and solicits federal grant funding to help with the purchase as well.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$2,320,000	See project notes	—	State Grants	—
2025-26	\$2,400,000	See project notes	—	Federal Grants	\$484,600
2026-27	\$2,640,000	See project notes	—	Operating Funds	—
Total	\$7,360,000			Total Funding	\$484,600

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

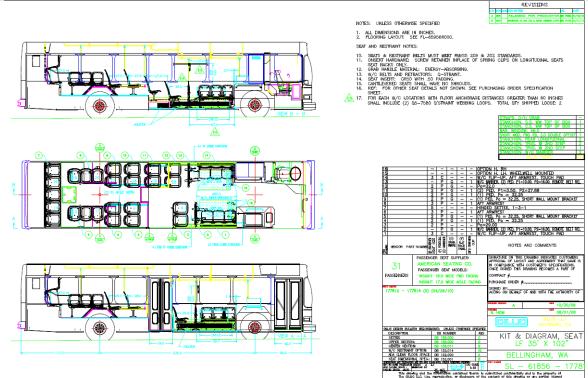


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Refurbish (2006 Bus) Project Number: 600000

Statement of Need / Description

By refurbishing this 2006 bus, which is currently retired, it will refresh the life expectancy back to new status. This bus needs parts that are no longer available, and the refurbishment will solve that problem. The 2006 buses have proven to be very reliable and consistent. It cost almost half the price and half the time of a new bus purchase. This refurbish is a trial to see if this is viable for others in the fleet.



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	\$400,000
2026-27	\$1,800,000	See project notes	—	Operating Funds	—
Total	\$2,300,000			Total Funding	\$400,000

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



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Push-to-Talk Cradles

Project Number: 600001

Statement of Need / Description

DCTA bus operators currently rely on aging, handheld push-to-talk (PTT) radios that are not vehicle-mounted. These radios require removal from vehicles for charging and are distributed to operators daily. This project funds the purchase and installation of docking cradles and mounts for a new set of PTT radios being procured for DCTA's fixed-route bus fleet. Installing vehicle-mounted cradles for the new radios will standardize equipment setup, ensure clear communications, and support the agency's ongoing modernization of operations technology.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$45,000	See project notes	—	Federal Grants	\$38,380
2026-27	—	See project notes	—	Operating Funds	—
Total	\$45,000			Total Funding	\$0

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

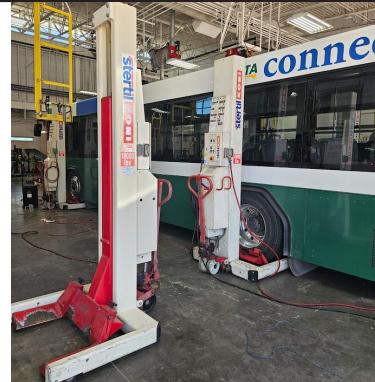
Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Bus Column Lift Replacement

Project Number: 600002

Statement of Need / Description

Bus Maintenance needs at least two fully functioning lift sets to raise buses in the shop for maintenance. The current lift is outdated and not functioning properly. Replacement of the lift will allow the maintenance team to be safe and timely when doing repairs to bus fleet.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$55,250	See project notes	—	Federal Grants	\$44,200
2026-27	—	See project notes	—	Operating Funds	—
Total	\$55,250			Total Funding	\$0

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

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Dual Facing Cameras Project Number: 600003

Statement of Need / Description

The lack of driver-facing and exterior facing dash cameras creates challenges for incident investigations due to lack of evidence for bus operators. The dual facing cameras give 360-view of the bus and provide support and protection for the operators and passengers in case of an incident or accident. The cameras provide timely data and images that can also be used for reports and training.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$25,000	See project notes	—	Federal Grants	\$20,000
2026-27	—	See project notes	—	Operating Funds	—
Total	\$25,000			Total Funding	\$0

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



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fleet - Non Revenue (1 Service Truck & 2 SUV's)
Project Number: 600004.1 & 600004.2

Statement of Need / Description

The Fleet-Non Revenue project will allow the purchase of three vehicles. One service truck for Facilities Maintenance and two SUV's for Operations. The vehicle for Facilities Maintenance will travel between facilities in order to stay on top of repairs and proper facility related maintenance. And, the vehicles for Operations are used by supervisors to get operators from their buses at relief points as well as responding to passenger aid. 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	\$80,000	See project notes	—	State Grants	—
2025-26	\$150,000	See project notes	—	Federal Grants	—
2026-27	\$120,000	See project notes	—	Operating Funds	—
Total	\$350,000	—	—	Total Funding	\$0

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

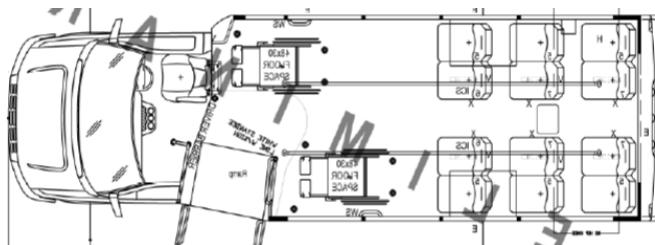


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fleet - Cutaway Bus Project Number: 600005

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 a cutaway bus was needed in FY 2026. The funding will be used to purchase one cutaway bus to replace the oldest in the fleet. Aging buses require more maintenance and key components like air conditioning tend to fail over time.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$225,000	See project notes	—	Federal Grants	\$191,250
2026-27	\$450,000	See project notes	—	Operating Funds	—
Total	\$675,000			Total Funding	\$191,250

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



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Major Maintenance - Rail
Project Number: 710000

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	\$3,130,608	See project notes	—	State Grants	—
2025-26	\$3,354,270	See project notes	—	Federal Grants	—
2026-27	\$10,174,575	See project notes	—	Operating Funds	—
Total	\$10,174,575			Total Funding	\$0

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Rail Operations
<input type="checkbox"/> Increase in Amount	Stadler fleet maintenance: \$2,429,500
<input type="checkbox"/> Decrease in Amount	Track maintenance: \$364,756
<input type="checkbox"/> Continued Project	Signal maintenance: \$560,014
<input checked="" type="checkbox"/> New Project	



Engine Overhaul



Wheel Cutting



Drainage Repairs



Grout Injection



Signal Electronics

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: RailComm Dispatch Software Project Number: 61407.1

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. This was a 2-year project and funding for FY25 is \$300,000.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$500,000	—	—	State Grants	—
2025-26	\$300,000	—	—	Federal Grants	—
2026-27	—	—	—	Operating Funds	\$30,000
Total		\$800,000		Total Funding	\$30,000

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

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Electronic Safety & Security Program Project Number: 10411.1

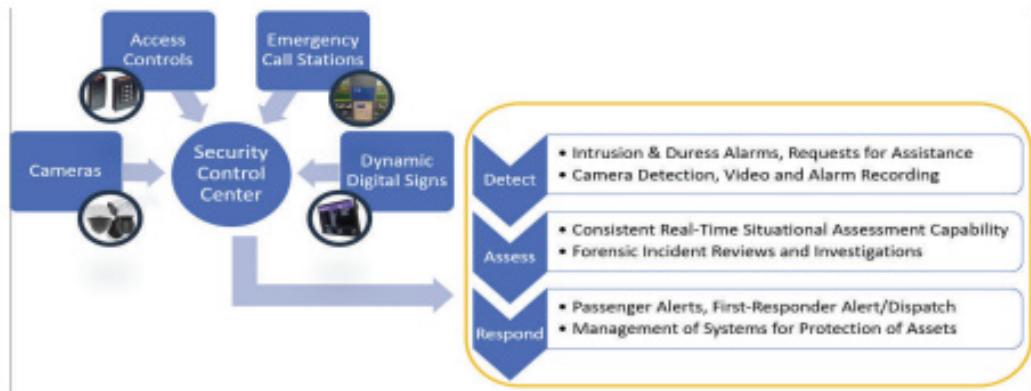
Statement of Need / Description

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 36 months, with a completion date slated as September 30, 2026 (3 years).



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$2,685,107	See project notes	—	State Grants	—
2025-26	\$1,578,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$4,263,107			Total Funding	\$0

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"/>	Continued Project	
<input type="checkbox"/>	New Project	

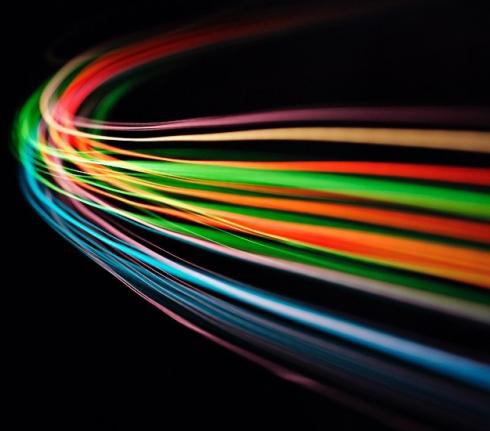


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Fiber Optic Network - Locate & Improvements Project Number: 10412.1

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. This was a two-year project.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	\$278,000	See project notes	—	State Grants	—
2025-26	\$175,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$453,274			Total Funding	\$0

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"/> Continued Project	
<input type="checkbox"/> New Project	

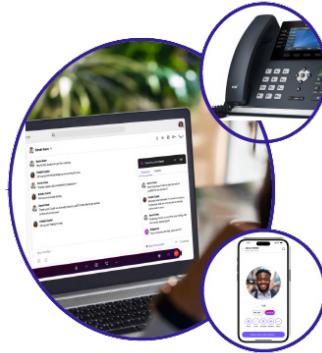


Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Cloud-Based Phone System Project Number: 130000

Statement of Need / Description

DCTA's phone system is premise-based, no longer scales, and has reached its end of useful life. The current system limits call routing flexibility, hybrid work capabilities, and integration with modern tools such as MS Teams. Some components are no longer under vendor support and will no longer receive critical software and security updates. This project implements a modern, cloud-based VoIP phone system across DCTA. It includes licensing, installation, and configuration of phone endpoints, softphone capabilities, a new contact center platform, and integration with collaboration tools. This system will support future expansion for customer support.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$81,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$81,000			Total Funding	\$0

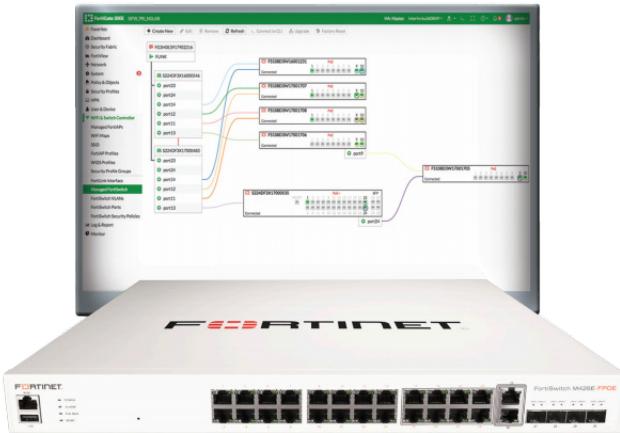
Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Information Technology
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input type="checkbox"/> Continued Project	
<input checked="" type="checkbox"/> New Project	

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: Network Switching Hardware Replacement NEW in FY26 Project Number: 130001

Statement of Need / Description

The current network switching infrastructure, which is now nearly 12 years old (deployed in 2014) lacks central management and network access control (NAC), and some components do not have redundant power supplies. Current solution lacks visibility and end user experience tools for internal traffic. Additionally, most of the switching infrastructure reached its end of life (EOL) on June 30, 2020 and is no longer getting security or firmware updates. The proposed replacement will introduce modern switches with centralized, cloud-based management, reducing IT workload, improving network visibility, and enhancing security. Deploying all switches simultaneously minimizes administrative overhead and reduces system vulnerabilities. These switches integrate with existing firewalls, providing a unified solution to manage and secure the DCTA network.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$110,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$110,000			Total Funding	\$0

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 type="checkbox"/> Continued Project	
<input checked="" type="checkbox"/> New Project	

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: A-Train Expanded Service Hours Analysis Project Number: 140000

Statement of Need / Description

As part of the A-Train Enhancement Program, the agency will engage its A-Train program management consultant to explore impacts on A-Train service expansion. The analysis would review the current A-Train span of service and compare it to the DART Silver Line. The purpose of the study would be to determine the changes needed to rail operations and estimate the cost of the modifications. This analysis will produce options for the Board to consider and ultimately provide a preferred option and cost estimate for DCTA to incorporate into the Long Range Financial Plan



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$1,000,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$1,000,000			Total Funding	\$0

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

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: A-Train Curve/Speed Improvements NEW in FY26
Project Number: 140001

Statement of Need / Description

The existing curve geometry and speed codes limit maximum allowable train speeds to below design potential in multiple segments. Average runtime across the corridor is constrained by historical speed restrictions and conservative super elevation limits. By reprofiling select curves supports higher operating speeds through targeted surfacing, spiral extensions, and minor banking improvements. This will improve runtime by approximately 3-5 minutes in each direction, enabling alignment with 30-minute and potential 15-minute headways. This also supports future service expansion and better schedule recovery margins.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$3,000,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$3,000,000			Total Funding	\$0

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

Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: A-Train Design Support for 15-Min Headways NEW in FY26
Project Number: 140002

Statement of Need / Description

The current A-Train terminus at Trinity Mills does not enable A-train access to downtown Carrollton or interface with the DART Silver Line. It lacks signal infrastructure and passing sidings for 15-minute frequency service. This project is for preliminary engineering for extension of the A-Train from Trinity Mills to Downtown Carrollton. In addition, it works on the conceptual design for corridor-wide improvements to support 15-minute headways. The work is concept-level coordination with DART Silver Line and future service expansion. It enables strategic extension into Carrollton to improve first/last mile connectivity and TOD access.



Year	Capital Cost	Operating Cost	Projected Revenue	Source(s) of	Capital Funding
2024-25	—	See project notes	—	State Grants	—
2025-26	\$5,500,000	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$5,500,000			Total Funding	\$0

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



Capital Improvement & Major Maintenance Plan | Project Detail

Project Name: TRiP Program Funding - FY26

Project Number: TRIP FY26

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, 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	\$5,967,642	See project notes	—	State Grants	—
2025-26	\$3,763,825	See project notes	—	Federal Grants	—
2026-27	—	See project notes	—	Operating Funds	—
Total	\$9,731,467			Total Funding	\$0

Change from Previous CIP	Project Notes
<input type="checkbox"/> No Change	Coordinating Department: Finance & Strategic Planning
<input type="checkbox"/> Increase in Amount	
<input type="checkbox"/> Decrease in Amount	
<input checked="" type="checkbox"/> Continued Project	
<input type="checkbox"/> New Project	



Appendix



Operating &
Capital Budget

2026

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 X 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. 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.
- D. 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.

E. 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.

F. 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.

G. 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

1. 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; 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;

- C. No-load SEC-registered money market funds, each approved specifically before use by DCTA;
- D. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act; and
- E. 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



Approved Broker/Dealers April 2021

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

¹ **Bold face font indicates firm is a Primary Dealer.**

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

DCTA Budget Contingency Plan

Fiscal Year 2026

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 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual
PASSENGERS							
A-train	393,700	221,316	113,440	175,637	225,235	261,563	277,028
Access	29,714	20,367	16,194	21,184	22,191	25,905	31,912
Connect	569,467	343,588	220,440	130,476	141,872	288,214	342,841
On Demand Zones	8,935	9,032	4,149	-	-	-	-
RSVP/ Highland Village	3,551	992	119	-	-	-	-
GoZone	-	-	13,405	615,975	855,280	863,104	832,407
North Texas Xpress	12,804	8,007	4,146	1,920	1,728	2,502	2,429
UNT	1,834,402	950,704	461,985	1,019,390	1,443,452	1,568,797	1,202,321
NCTC	12,797	5,784	-	-	-	-	-
Frisco	12,799	5,675	3,002	6,374	8,482	1,311	9,828
Collin County Transit	11,559	10,850	10,808	3,153	-	5,267	10,546
Vanpool	126,573	151,043	214,303	227,644	237,777	251,799	258,542
TOTAL PASSENGERS	3,016,301	1,727,286	1,061,991	2,201,753	2,936,017	3,268,462	2,967,134
REVENUE VEHICLE MILES							
A-train	335,610	289,812	248,928	382,342	383,951	384,822	382,850
Access	185,147	121,244	100,070	148,760	156,957	177,066	191,523
Connect	966,537	774,638	721,116	350,399	226,661	238,119	293,235
On Demand Zones	25,065	25,581	12,729	-	-	-	-
RSVP/ Highland Village	60,811	25,652	48	-	-	-	-
GoZone	-	-	-	2,219,619	3,622,147	3,579,097	3,466,564
North Texas Xpress	103,798	104,638	96,560	26,226	25,893	26,273	25,000
UNT	444,670	366,438	311,129	401,675	423,233	459,606	426,685
NCTC	83,616	34,492	-	-	-	-	-
Frisco	92,005	59,532	25,311	46,452	63,569	72,245	89,825
Collin County Transit	79,163	66,044	64,973	18,903	-	62,059	107,565
Vanpool	702,168	969,153	1,473,685	1,575,408	1,712,262	2,041,806	2,221,486
TOTAL REVENUE MILES	3,078,590	2,840,224	3,054,549	5,169,785	6,614,674	7,041,094	7,205,733

Operational Statistics

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual
REVENUE HOURS							
A-train	13,767	13,177	11,607	18,065	18,139	18,170	18,091
Access	13,327	8,838	7,656	10,937	11,334	12,997	13,985
Connect	81,580	60,248	54,327	27,623	17,635	17,187	16,470
On Demand Zones	3,749	4,176	2,508	-	-	-	-
RSVP/ Highland Village	5,370	2,645	20	-	-	-	-
GoZone	-	-	7,277	116,543	216,563	203,849	198,344
North Texas Xpress	3,866	3,899	3,579	711	1,516	719	521
UNT	45,457	36,431	33,223	37,693	37,338	42,365	27,290
NCTC	4,790	2,057	-	-	-	-	-
Frisco	6,013	3,652	2,365	4,247	4,245	5,717	5,655
Collin County Transit	4,559	3,457	3,080	992	-	4,541	6,976
Vanpool	17,500	23,615	26,605	29,026	33,286	41,538	46,927
TOTAL REVENUE HOURS	199,978	162,195	152,247	245,838	340,055	347,082	334,259
PASSENGERS PER REVENUE HOUR							
A-train	29	17	10	10	12	14	15
Access	2	2	2	2	2	2	2
Connect	7	6	4	5	8	17	21
On Demand Zones	2	2	2	0	0	0	0
RSVP/ Highland Village	1	1	6	0	0	0	0
GoZone	0	0	2	5	4	4	4
North Texas Xpress	3	2	1	3	1	3	5
UNT	40	26	14	27	39	37	44
NCTC	3	3	0	0	0	0	0
Frisco	2	2	1	2	2	0	2
Collin County Transit	3	3	4	3	0	1	0
Vanpool	7	6	8	8	7	6	6
AVERAGE	8	6	5	5	7	8	10

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: 2,005
- 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 2025-2026 Operating Budget:
<https://www.dentoncounty.gov/203/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 approximately 47,000 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 33,000 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: 159,518 (Based on 2025 estimate on January 1)
- Male/Female Ratio: 49.2 Male/50.8 Female
- Median Family Income: \$78,021
- Education: 97.6% of the population are high school graduates, with 43% 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://censusreporter.org/profiles/16000US4819972-denton-tx/>

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: 16,150 (Based on 2025 estimate on January 1)
- Male/Female Ratio: 51.4 Male/48.6 Female
- Median Household Income: \$164,500
- Education: 98.1% of residents are high school graduates, with 60% 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: 140,880 (Based on 2025 estimate on January 1)
- Male/Female Ratio: 48.5 Male/51.5 Female
- Median Family Income: \$89,551
- Education: 95.5% of the population are high school graduates, with 40% 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. R25-08**

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 2025-2026, BEGINNING OCTOBER 1, 2025 AND ENDING SEPTEMBER 30, 2026; 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 FY26 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 FY26 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 FY26 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 2025-2026 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 2025-2026, including Change in Net Position, Statement of Revenue and Expenditures, Capital Improvement & Major Maintenance Plan, Long Range Financial Plan, and FY26 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.

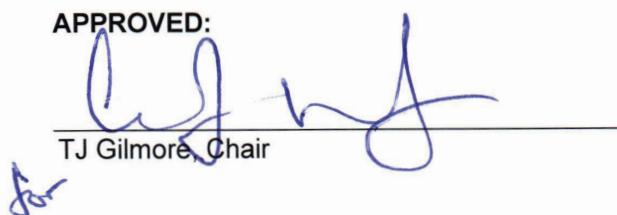
SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2024-2025 are hereby ratified, and the budget for fiscal year 2025-2026, heretofore adopted by resolution of the DCTA Board of Directors, 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.

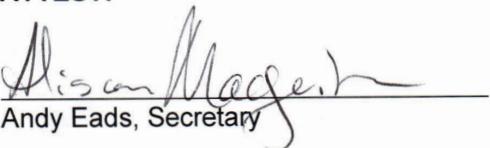
SECTION 4. That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 28TH DAY OF AUGUST 2025.

APPROVED:

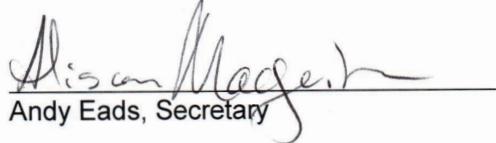


TJ Gilmore, Chair



for

ATTEST:



Andy Eads, Secretary



Operating & Capital Budget - 2026

Change in Net Position - with Depreciation

Description	FY 2025 Adopted Budget	FY 2025 Working Budget	FY2026 "Adopted" Budget	FY 2025/FY 2026 Variance
OPERATING REVENUE				
Passenger Revenues (Bus Farebox)	\$ 363,000	\$ 363,000	\$ 383,000	5.51%
Passenger Revenues (GoZone Farebox)	950,000	950,000	950,000	0.00%
Passenger Revenues (Rail Farebox)	362,312	362,312	408,501	12.75%
Contract Service Revenue	4,400,615	4,400,615	4,926,041	11.94%
Total Operating Revenue	\$ 6,075,927	\$ 6,075,927	\$ 6,667,542	9.74%
GENERAL & ADMINISTRATIVE EXPENSES				
Salary, Wages & Benefits	\$ 5,406,692	\$ 5,361,492	\$ 5,831,740	8.77%
Outsourced Services & Charges	3,560,198	3,698,301	4,243,497	14.74%
Materials & Supplies	243,710	244,075	220,760	-9.55%
Utilities	173,750	173,750	93,770	-46.03%
Insurance	23,500	23,500	25,127	6.92%
Employee Development	686,170	705,380	693,558	-1.68%
Leases	175,500	198,880	277,292	39.43%
Depreciation	103,529	103,529	132,565	28.05%
Total G&A Operating Expenses	\$ 10,373,049	\$ 10,508,907	\$ 11,518,309	9.61%
BUS OPERATIONS EXPENSES (Bus Admin, Fixed Route, Demand Response)				
Salary, Wages & Benefits	\$ 8,340,771	\$ 8,490,508	\$ 8,447,371	-0.51%
Outsourced Services & Charges	972,510	971,424	1,196,837	23.20%
Materials & Supplies	1,984,387	1,928,992	1,893,412	-1.84%
Utilities	194,800	194,800	310,780	59.54%
Insurance	394,800	394,800	368,296	-6.71%
Employee Development	89,620	67,410	87,695	30.09%
Leases	13,200	13,200	11,000	-16.67%
Depreciation	918,760	918,760	560,508	-38.99%
Total Bus Operations Expenses	\$ 12,908,848	\$ 12,979,894	\$ 12,875,899	-0.80%
MOBILITY SERVICES EXPENSES (Lyft, Taxi, GoZone, MaaS, CCR)				
Salary, Wages & Benefits	\$ 312,204	\$ 312,204	\$ 221,760	-28.97%
Outsourced Services & Charges	148,671	148,671	153,671	3.36%
Materials & Supplies	6,000	6,000	6,000	0.00%
Utilities	1,200	1,200	1,200	0.00%
Purchased Transportation	12,828,274	12,828,274	13,366,174	4.19%
Employee Development	8,830	8,830	8,480	-3.96%
Total Mobility Services Expenses	\$ 13,305,179	\$ 13,305,179	\$ 13,757,285	3.40%

Description	FY 2025 Adopted Budget	FY 2025 Working Budget	FY2026 Proposed Budget	FY 2025/FY 2026 Variance
RAIL OPERATIONS EXPENSES				
Salary, Wages & Benefits	\$ 228,624	\$ 228,624	\$ 177,060	-22.55%
Outsourced Services & Charges	881,204	880,904	912,835	3.62%
Materials & Supplies	1,137,500	1,038,628	755,000	-27.31%
Utilities	391,822	391,822	390,871	-0.24%
Insurance	1,456,300	1,555,472	1,602,708	3.04%
Purchased Transportation	12,225,184	12,225,184	12,944,218	5.88%
Employee Development	10,720	10,720	10,720	0.00%
Depreciation	9,809,803	9,809,803	9,891,575	0.83%
Total Rail Operations Expenses	\$ 26,141,157	\$ 26,141,157	\$ 26,684,987	2.08%
Total Operating Expenses	\$ 62,728,233	\$ 62,935,136	\$ 64,836,480	3.02%
Operating Income/(Loss)	(56,652,306)	(56,859,209)	(58,168,938)	2.30%
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 2,200,000	\$ 2,200,000	\$ 3,500,000	59.09%
Misc. Revenues	255,000	255,000	210,000	0.00%
Sales Tax Revenue	41,000,000	41,000,000	41,000,000	0.00%
Federal Grants & Reimbursements	14,703,218	14,703,218	14,544,180	-1.08%
Long Term Debt Interest/Expense	(171,811)	(171,811)	(151,102)	-12.05%
Total Non-Operating Revenue/ (Expense)	\$ 57,986,407	\$ 57,986,407	\$ 59,103,078	1.93%
Income (Loss) Before Transfers	\$ 1,334,101	\$ 1,127,198	\$ 934,140	-17.13%
CHANGE IN NET POSITION	\$ 1,334,101	\$ 1,127,198	\$ 934,140	-17.13%

Operating & Capital Budget - 2026

DENTON COUNTY TRANSPORTATION AUTHORITY - COMBINED
 Statement of Revenue and Expenditures
 Last Updated: 8/28/25

	Prior Year Actual		Current Year		Next Year		Proposed 2026		"Adopted" 2026		Variance Proposed 2026/ "Adopted" 2026	
	2022	2023	2024	2025 Adopted	Proposed 2026	Revised 2026	"Adopted" 2026	Proposed 2026	Revised 2026	"Adopted" 2026	Variance FY25/FY26	
Revenue and Other Income												
Passenger Revenues	\$ 928,716	\$ 1,568,793	\$ 1,906,892	\$ 1,675,312	\$ 1,741,501	\$ 1,741,501	\$ 1,741,501	\$ 1,741,501	\$ 1,741,501	\$ 1,741,501	3.95%	
Contract Service Revenues	3,718,416	4,233,303	4,948,287	4,400,615	4,439,000	4,439,000	4,439,000	4,439,000	4,439,000	4,439,000	11.94%	
Sales Tax Revenues	38,030,250	40,292,936	40,592,222	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	41,000,000	0.00%	
Federal/State Grants - Capital	95,069	59,828	566,000	4,319,818	2,767,706	2,767,706	2,767,706	2,767,706	2,767,706	2,767,706	-35.03%	
Federal/State Grants - Operating	19,028,351	9,431,745	11,842,517	10,383,400	12,063,774	11,776,474	11,776,474	11,776,474	11,776,474	11,776,474	13.42%	
Total Revenues and Other Income	61,800,802	55,586,605	59,855,918	61,779,145	62,011,981	62,211,722	62,211,722	62,211,722	62,211,722	62,211,722	0.70%	
Operating Expenses												
Salary, Wages and Benefits	4,002,824	3,787,792	10,212,178	14,288,291	15,006,478	14,677,931	14,677,931	14,677,931	14,677,931	14,677,931	2.73%	
Outsourced Services and Charges	4,517,985	5,600,148	6,930,904	5,562,583	6,346,840	6,346,840	6,346,840	6,346,840	6,346,840	6,346,840	16.98%	
Materials and Supplies	2,536,927	2,576,663	2,127,167	3,371,597	2,875,172	2,875,172	2,875,172	2,875,172	2,875,172	2,875,172	-14.72%	
Utilities	455,020	497,792	561,653	761,572	796,621	796,621	796,621	796,621	796,621	796,621	4.60%	
Insurance	1,608,328	1,577,898	1,099,836	1,874,600	1,986,131	1,986,131	1,986,131	1,986,131	1,986,131	1,986,131	6.48%	
Purchased Transportation Services	19,146,955	22,348,013	23,888,436	25,053,458	26,310,392	26,310,392	26,310,392	26,310,392	26,310,392	26,310,392	5.02%	
Employee Development	119,259	2,559,697	301,748	785,340	800,453	800,453	800,453	800,453	800,453	800,453	0.64%	
Leases and Rentals	132,033	142,445	169,862	188,700	288,292	288,292	288,292	288,292	288,292	288,292	52.78%	
Depreciation	11,351,682	9,074,611	9,364,474	10,832,092	10,584,648	10,584,648	10,584,648	10,584,648	10,584,648	10,584,648	-2.28%	
Total Operating Expenses	43,870,984	48,165,059	54,656,245	62,728,233	65,005,028	64,676,480	64,676,480	64,676,480	64,676,480	64,676,480	3.36%	
Income Before Non-Operating Revenues and Expenses												
Non-Operating Revenues/(Expense)	17,929,808	7,421,546	5,199,673	(949,088)	(2,993,047)	(2,664,469)	(2,664,469)	(2,664,469)	(2,664,469)	(2,664,469)	39,741	176.56%
Investment Income	462,425	4,434,145	5,983,517	2,200,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	-	59.09%
Gain (Loss) on Disposal of Assets	29,719	52,900	2,818	-	-	-	-	-	-	-	-	-17.65%
Other Income/(Expense) - Miscellaneous	447,462	923,293	160,212	255,000	210,000	210,000	210,000	210,000	210,000	210,000	-	-12.05%
Transportation Reinvestment Program - TRIP *	(1,332,483)	(345,473)	(1,590,754)	(171,811)	(151,102)	(151,102)	(151,102)	(151,102)	(151,102)	(151,102)	-	55.87%
Long Term Debt Interest/(Expense)	(233,828)	(212,684)	(192,299)	-	-	-	-	-	-	-	-	-
Total Non-Operating Revenues/(Expenses)	(626,715)	4,852,181	4,363,493	2,283,189	3,558,898	3,558,898	3,558,898	3,558,898	3,558,898	3,558,898	-	-
Income (Loss) before Transfers to NTMC	17,303,093	12,273,727	9,563,167	1,334,101	565,851	894,399	894,399	894,399	894,399	894,399	39,741	-29.98%
Transfers Out to NTMC	(5,926,669)	(5,577,506)	-	-	-	-	-	-	-	-	-	-
Total Transfers	(5,926,669)	(5,577,506)	-	-	-	-	-	-	-	-	-	-
Change in Net Position	\$ 11,376,424	\$ 6,696,221	\$ 9,563,167	\$ 1,334,101	\$ 565,851	\$ 894,399	39,741	-				

* TRIP budget is not shown in "Adopted" or "Proposed" columns since it is budgeted as capital until a transfer is done to operating at year end



Operating & Capital Budget - 2026

DENTON COUNTY TRANSPORTATION AUTHORITY FY26 Budget - "Adopted" Capital Improvement & Major Maintenance Plan									
		Project Name	Project Number	Project thru FY 2024	Projects in FY 2025	Proposed FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029
									Proposed FY 2030
									Anticipated Project Total (Thru 2031)
Bus Services									
Fleet Purchase - Bus	50311		2,040,000	2,400,000	500,000	2,640,000	1,720,000	1,800,000	1,950,000
Bus Refurbish (2006 Bus) NEW in FY26	TBD				45,000	1,800,000	600,000	625,000	
Bus Push-to-Talk Cradles NEW in FY26	TBD				55,250				5,475,000
Bus Column Lift Repairs or Replacement NEW in FY26	TBD				25,000				45,000
Dual Facing Camera NEW in FY26	TBD				80,000	150,000	120,000	100,000	55,250
Fleet -Non-Revenue (1 Service Truck & 2 Non-Rev) NEW I	TBD				225,000	450,000	464,000	720,000	125,000
Fleet - Cutaway Bus - NEW in FY26	TBD				500,000	500,000	500,000	500,000	485,000
TAM: Fleet Replacement - UNT	400,000		400,000						3,115,000
TAM: Fleet Replacement - Connect	1,200,000		1,400,000						3,800,000
					1,500,000	1,500,000	1,500,000	1,500,000	11,600,000
Rail Services									
Positive Train Control Enhancements (Phase 2)	61406	117,644	2,500,000						2,617,644
Major Maintenance - Rail (FY25)	61727		3,130,608						3,130,608
Major Maintenance - Rail NEW in FY26	TBD				3,354,270	3,689,697	4,058,667	4,464,533	25,886,239
61407					500,000	300,000	100,000		900,000
RailComm Dispatch Software	TBD					25,533,334	25,533,333	25,533,333	
Downtown Carrollton A-Train Extension									76,900,000
TAM: Major Maintenance - Rail	TBD		1,800,000			1,800,000	1,800,000	1,800,000	1,800,000
									14,400,000
G&A Services									
Infrastructure Acquisition	10302	3,251,960	1,200,000			12,398,400	12,398,400	12,398,400	
Multi-Facility Firewall Upgrade	10406	60,000	60,000			60,000	60,000	60,000	41,647,190
AV Upgrade - DCTA Conference Room	10407	65,000				65,000			120,000
ERP Implementation	10408	450,000	500,000						130,000
Server Infrastructure Refresh	10409	1,502,893	2,685,107			1,578,000			2,100,000
Electronic Safety & Security Program	10411								950,000
Fiber Optic Network - Locate & Improvements	10412		278,000			175,000			5,760,000
Project Management Software & Implementation	10413		112,000			81,000			453,000
Cloud-Based Phone System NEW in FY26	TBD					110,000			112,000
Network Switching Hardware Replacement NEW in FY26	TBD					1,000,000			81,000
A-Train Expanded Service Hours Analysis	TBD					3,000,000			110,000
A-Train Curve/Speed Improvements NEW in FY26	TBD					5,500,000			1,000,000
A-Train Design Support for 15-Min Headways NEW in FY	TBD								3,000,000
Fleet -Non-Revenue (2 SUVs)	10144		80,000						5,500,000
Stadler Laptop Replacement	TBD					80,000			80,000
FUTURE: Backup & DR Infrastructure Upgrades	TBD					45,000			45,000
Technology Improvements	TBD					1,500,000	1,530,000	1,560,600	1,591,812
									7,806,060
Transportation Reinvestment Program (TRIP)									
TRIP Program Funding -FY21	10702	7,742,135							7,742,135
TRIP Program Funding - FY22	10703	9,633,005							9,833,005
TRIP Program Funding - FY23	10704	11,389,216							11,383,216
TRIP Program Funding - FY24	10705	10,429,152							10,429,152
TRIP Program Funding - FY25	10706	5,967,642							5,967,642
TRIP Program Funding - FY26						3,763,825			3,763,825
FUTURE: TRIP Program Funding									
									276,955,966
TOTAL CAPITAL BUDGET		\$ 46,745,035	\$ 23,773,357			\$ 26,062,345	\$ 52,053,431	\$ 51,564,400	\$ 12,965,793
									\$ 11,335,734

DCTA Budget Contingency Plan Fiscal Year 2026

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

Operating & Capital Budget - 2026

DENTON COUNTY TRANSPORTATION AUTHORITY
Long Range Financial Plan
Fiscal Year 2026 "Proposed Revised"

Operating & Capital Budget - 2026

DENTON COUNTY TRANSPORTATION AUTHORITY

Long Range Financial Plan

Fiscal Year 2026 "Proposed Revised"

Operating & Capital Budget - 2026

DENTON COUNTY TRANSPORTATION AUTHORITY
Long Range Financial Plan
Fiscal Year 2026 "Proposed Revised"

#	Adopted FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031	Proposed FY2032	Proposed FY2033	Proposed FY2034	Proposed FY2035	Proposed FY2036	Proposed FY2037	Proposed FY2038	Proposed FY2039	Proposed FY2040
DEBT SERVICE																
54 2020 Series Refunding Bonds	948,755	930,142	916,628	894,163	874,708	861,561	833,413	805,444	-	-	-	-	-	-	6,265,478	\$ 8,446,921
55 2021 Series Refunding Bonds	1,038,556	1,055,960	1,073,460	1,090,616	1,112,368	1,128,672	1,154,592	-	-	-	-	-	-	-	7,055,744	7,053,744
56 TOTAL DEBT SERVICE	1,986,311	1,986,102	1,990,108	1,998,779	1,997,168	1,990,353	1,988,444								13,971,222	15,002,965
57 Internal Debt Service Coverage																
58 Outstanding bond principal as of September 30th	13,410,000	11,575,000	9,755,000	7,835,000	5,955,000	4,010,000	2,065,000	2,065,000	2,07	N/A	N/A	N/A	N/A	N/A	-	-
59 Fuel Adjustment																
60 ENDING FUND BALANCE	\$ 120,466,447	\$ 69,413,353	\$ 81,743,030	\$ 72,454,854	\$ 68,687,820	\$ 65,080,088	\$ 60,965,089	\$ 48,461,267	\$ 36,762,508	\$ 21,716,428	\$ 15,226,682	\$ 7,178,277	\$ 2,348,467	\$ 606,204,117	\$ 2,348,467	\$ 606,204,117
61 Less Required Fund Balance (O&M Reserve Policy)	12,974,035	15,322,892	17,123,390	16,614,954	15,612,689	16,405,504	16,521,104	16,699,627	17,145,005	17,398,815	17,932,148	18,482,713	19,051,091	-	-	
62 Less Sales Tax Stabilization Fund	1,230,000	1,230,000	1,254,600	1,278,682	1,305,286	1,331,392	1,358,019	1,385,180	1,412,883	1,448,205	1,484,411	1,521,521	1,559,559	-	-	
63 Less Fuel Stabilization Fund	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	249,329	-	-	
64 Less Capital/Infrastructure Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
65 Less TIRF Funding previously obligated (not spent yet)	37,310,906	31,158,788	22,322,595	13,450,480	9,935,819	-	5,621,159	3,123,461	1,051,413	-	-	-	-	-	-	-
66 NET AVAILABLE FUND BALANCE	\$ 68,642,777	\$ 21,452,334	\$ 40,793,117	\$ 40,856,440	\$ 41,483,697	\$ 41,483,285	\$ 39,743,176	\$ 28,875,749	\$ 17,955,291	\$ 2,620,078	\$ 1,433,208	\$ 1,137,886	\$ 1,137,886	\$ 1,137,886	\$ 1,137,886	
67 RESERVE FOR CAPITAL PROJECTS/TAM (cumulative total)	3,600,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	3,800,000	
68 Use of Capital Reserves - Equipment (from TAM)	(2,040,000)	(2,625,000)	(463,500)	(327,600)	(378,000)	(111,600)	(70,500)	(118,360)	(57,700,000)	(58,771,000)	(60,047,130)	(61,150,000)	-	-	-	
69 Use of Capital Reserves - Capital Investment (from TAM)	-	-	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	-	
70 CAPITAL RESERVE BALANCE	\$ 1,560,000	\$ 1,175,000	\$ (2,625,000)	\$ (8,671,600)	\$ (2,625,000)	\$ (8,671,600)	\$ 3,600,000									
67 RESERVE FOR CAPITAL PROJECTS/TAM (cumulative year totals)	7,000,000	8,750,000	9,935,000	7,200,000	7,130,400	6,881,400	7,283,500	8,906,900	9,188,550	4,288,550	3,800,000	3,800,000	3,800,000	4,450,000	4,450,000	
68 Use of Capital Reserves - Equipment (from TAM)	(2,040,000)	(2,625,000)	(463,500)	(327,600)	(378,000)	(111,600)	(70,500)	(118,360)	(57,700,000)	(58,771,000)	(60,047,130)	(61,150,000)	-	-	-	
69 Use of Capital Reserves - Capital Investment (from TAM)	-	-	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	(8,671,600)	-	
70 CAPITAL RESERVE BALANCE	\$ 4,960,000	\$ 6,135,000	\$ 3,400,000	\$ 3,330,400	\$ 3,081,400	\$ 3,483,400	\$ 5,706,900	\$ 5,398,550	\$ 488,550	\$ -	\$ -	\$ 650,000	\$ 4,450,000	\$ 4,450,000	\$ 4,450,000	

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 value 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.

Enterprise Reporting Program (ERP) - software used to manage and integrate core financial and HR data

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. MPO's 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 an 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.



DENTON COUNTY
TRANSPORTATION AUTHORITY

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