

DENTON COUNTY TRANSPORTATION AUTHORITY

OPERATING &
CAPITAL BUDGET FY 2016

DCTA

LEWISVILLE, TX



**Denton County Transportation Authority
2015-16 Operating & Capital Budget**



Denton County Transportation Authority

Vision, Mission, Core Values and Goals

The Denton County Transportation Authority is guided by the vision, mission and core values set forth by the Board of Directors and staff. These serve as the foundation for defining the goals and objectives for the budget process.

OUR VISION

Be a leader in advancing public transportation alternatives.

OUR MISSION

As a regional partner, the Denton County Transportation Authority is committed to provide safe, customer focused, and efficient mobility solutions for Denton County.

OUR UNITY STATEMENT

All DCTA staff will work to maintain an office environment that fosters humility, enthusiasm, self-discipline, consistency, responsibility, leadership, commitment and unity.

OUR CORE VALUES

- **Accountability**

The DCTA Board and employees hold themselves accountable to their constituents and are committed to being exemplary stewards of public resources.

- **Commitment**

The DCTA Board and employees are committed to working collaboratively to deliver the components of the Service Plan in a timely manner to serve the mobility needs of our customers.

- **Excellence**

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

Denton County Transportation Authority

Vision, Mission, Core Values and Goals

- **Integrity**

The DCTA Board and employees shall conduct themselves in a manner that upholds the highest legal and ethical standards. We are uncompromising in our commitment to truth, honesty, and openness in all relationships and interactions.

- **Respect**

The DCTA believes that all customers are important and all employees add value; and we will treat customers and employees with dignity and esteem.

- **Safety**

The most important commitment of the DCTA is safety through the strict adherence to policies, procedures and ongoing employee training and professional development.

OUR GOALS

- Maximize service efficiency and reliability
 - Maximize the effectiveness of service for DCTA's ridership markets
 - Increase the visibility and elevate the image of the Authority
 - Expand DCTA's services into areas where transit has a likelihood of success
 - Coordinate regional services with other regional transit providers
 - Tie the provision of transit to land-use and the resulting demand levels
 - Advocate sustainable development practices that support transit
 - Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
-



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denton County Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2014

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, 2014. 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.

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AGENCY OVERVIEW





September 24, 2015

Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2016 Operating and Capital Budget for Denton County Transportation Authority (DCTA). The Texas Transportation Code Chapter 460 requires the preparation of an annual budget. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget with current revenues and fund balance/ reserves covering operating and capital requirements for the fiscal year.

The FY16 Budget reflects the fourth full year of operation of an integrated public transportation system for Denton County that includes commuter rail service, fixed route bus services, vanpools, paratransit demand response, general demand response and university shuttle services. The budget is developed within the context of the 5-year financial plan which outlines the long-term service and infrastructure needs of the agency. This approach helps provide a financially sustainable perspective of the impact of current year decisions on future years. As future forecasts are developed, staff will continue to evaluate the agency's ability to fund major service and infrastructure priorities while balancing revenues and expenditures consistent with Board-adopted financial policies.

As DCTA's policy makers, the Board plays a critical role in making decisions regarding the direction of the organization. The budget provides a framework for DCTA activities during the next year and serves as a source of information for the Board, staff, passengers, member cities and other stakeholders. The programs and services provided by this budget focus on attaining the vision and accomplishing the mission adopted by the Board of Directors:

To be a leader in advancing public transportation alternatives by providing safe, customer-focused, and efficient mobility solutions for Denton County

It also allows the agency to move toward achieving the Board-established goals that include a focus on excellence. These are to:

- **Maximize service efficiency and reliability**

Budget Message cont.

- **Maximize the effectiveness of service for DCTA's ridership market**
- **Increase visibility and evaluate the image of the Authority**
- **Expand DCTA services into areas where transit has a likelihood of success**
- **Coordinate regional services with other regional transit providers**
- **Tie the provision of transit to land-use and the resulting demand levels**
- **Advocate sustainable development practices that support transit**
- **Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values**

Since its creation in 2002, DCTA has been a goal driven agency. Each year has seen the completion of major initiatives and components of the Service Plan. Fiscal Year 2015 was no exception. Those accomplishments are detailed in the Operating Budget Summary section of this budget document.

The budget process is structured to allow staff, the Finance Committee, the Board of Directors and other stakeholders adequate time for review and analysis of the key components of the budget. The initial budget process began in February with the Board Retreat. The Board outlined its priorities in the context of the 5-year financial plan. The 5-year financial plan is a best practice that provides policy makers with a framework for strategic decision making. This provided the template for the development of the FY16 budget. In the March/April timeframe service delivery objectives and related performance measures were defined. After identifying all revenue sources available to the agency for FY2016, staff began the process of developing the operating budget consistent with Board Mission and Goals. The final step in creating the FY2016 budget was identifying a five-year capital plan. At meetings held in May through August, components of the proposed budget were presented in detail to the Finance Committee for review and deliberation. The Finance Committee forwarded the proposed budget to the full Board for review and public comment at the Board's August meeting. The Board adopted the FY2016 Budget and the updated Cash Flow Model at its September 2015 meeting.

BUDGET SUMMARY

The development of any budget is always challenging because the needs and demands for services are great and exceed the available resources. The economic climate in North Texas continues to show steady improvement in spite of the significant drop in oil prices. The challenge for DCTA is to continue to respond to demands for service and maintain facilities and infrastructure in a state of good repair while at the same time balancing the need to ensure the financial resiliency and long-term sustainability of the agency. A detailed narrative of the assumptions that build this budget is provided on pages 41-45 of this document. Key elements of the budget include the following:

Total revenues for FY2016 are projected at \$38.6 million, an increase of 4.4% over FY2015 revised budget. This is due primarily to a net increase of just over \$750,000 in Federal and State operating and capital

Budget Message cont.

grants. Another major revenue source for DCTA is sales tax. Sales tax is budgeted at a 4% increase resulting in an almost \$890,000 increase in sales tax revenue projected for FY2016.

The expenditure portion of the budget includes operating and capital expenditures. Total expenditures (including approximately \$10 million in depreciation) are \$49.5 million for the FY2016 budget, with capital expenditures making up \$9.3 million or 19%. Total expenditures reflect a decrease of \$2 million or 3.9% less than FY2015 revised budget. Although purchased transportation increased almost \$1.7 million, there is still a net reduction in total expenditures as a result of a more definitive implementation plan for positive train control (PTC). PTC implementation is scheduled out thru 2018, and debt issuance to support the PTC project has also been moved to 2018. The impact is a reduction of almost \$4.7 million compared to FY15 revised budget in transfer of capital projects and life to date interest expense. Other operating expenditure elements include:

- \$11.6 million is budgeted for purchased transportation. This is an increase of \$1.7 million, 17% over prior year. This increase is due primarily to increased cost of maintenance for rail vehicles which are now out of warranty, addition of PTC operating costs, increased insurance, and ROW maintenance.
- Diesel fuel is budgeted at \$3.25 per gallon for rail operations and \$3.50 per gallon for bus operations and accounts for the majority of the \$133,000 decrease in Materials and Supplies category compared to revised FY2015.
- In order to maintain DCTA facilities in a state of good repair, the FY16 budget includes an additional \$195,000 for annual facilities maintenance and landscaping maintenance.
- 3.5% merit pay for DCTA employees is included in this budget. This is an increase of approximately \$45 thousand budgeted to allow for merit pay based on employee performance. TMDC salaries will also increase for bus operators based on the negotiated union contract. An increase for administrative and maintenance staff is included as well.
- An increase of 10% and 15% in health care benefits is budgeted for DCTA and TMDC respectively. This projected increase of \$200,000 over last year is primarily due to increases in current claims history and the impact of the Affordable Care Act.
- A market survey and compensation review is also planned for 2016 and \$25,000 is budgeted for that effort. A survey is conducted every two years to ensure DCTA maintains a competitive compensation plan. Adjustments to the pay range will be budgeted as needed and adjustments to the pay ranges will be based on results of the bi-annual market study and compensation review.
- Additional positions for FY2016 include a Systems Development Specialist, Senior Business Operations Manager (Bus) and part-time Community Relations Coordinator.

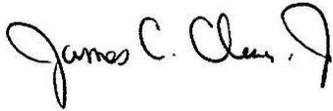
Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements needed in subsequent years and allows staff to identify alternative funding sources as well as anticipated on-going operating impact. DCTA is anticipating spending \$9.3 million on capital projects

Budget Message cont.

for FY2016. \$3.2 million of the total is appropriated for positive train control and \$2.9 million for bus fleet replacement with the remaining amount for rail capital maintenance, agency wide technology improvements and passenger amenities.

This budget continues DCTA's commitment to respond to community needs with safe, quality, sustainable service. Our thanks to the Finance Committee and the Board of Directors for their leadership during the entire process. We also want to recognize the outstanding work of staff as they continue their focus on Board and community priorities and providing outstanding, safe public transportation services to the residents of Denton County.

Sincerely,



James C. Cline, Jr., P.E.
President



Anna Mosqueda
Sr. V-P Finance/CFO

Board of Directors

The Board of Directors is responsible for governance of the Authority. The Board is composed of fourteen members representing the county of Denton: one member from each municipality with a population of 17,000 or more (eight in total); three members appointed by the Denton County Commissioners Court; and three members designated by the remaining municipalities with a population of more than 500 and less than 17,000. Each member serves a term of two years, and may be reappointed. There are no term limits.



Board Chairman
Charles Emery
City of Lewisville



Board Vice-Chairman
Paul Pomeroy
City of Highland Village



Board Secretary
Richard Huckaby
City of Denton



Board Treasurer
Dave Kovatch
Denton County At Large



Board Member
George A. Campbell
Denton County Unincorporated



Board Member
Don Hartman
Denton County Unincorporated



Board Member
Tom Winterburn
City of Corinth



Board Member
Doug Peach
City of Little Elm



Board Member
Allen Harris
City of The Colony



Board Member
Jim Robertson
City of Flower Mound



Board Member
Carter Wilson
City of Frisco



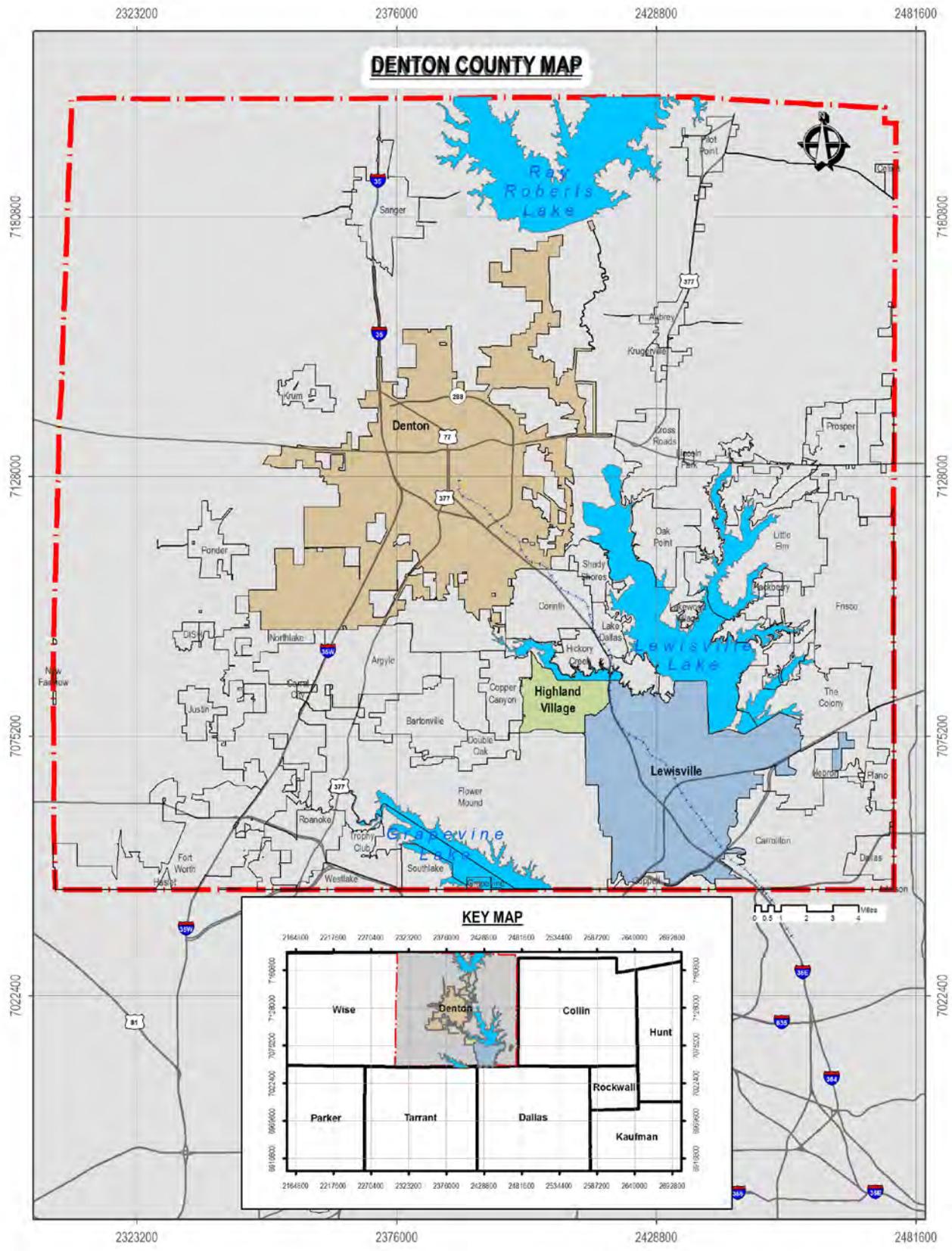
Board Member
Skip Kalb
Small Cities



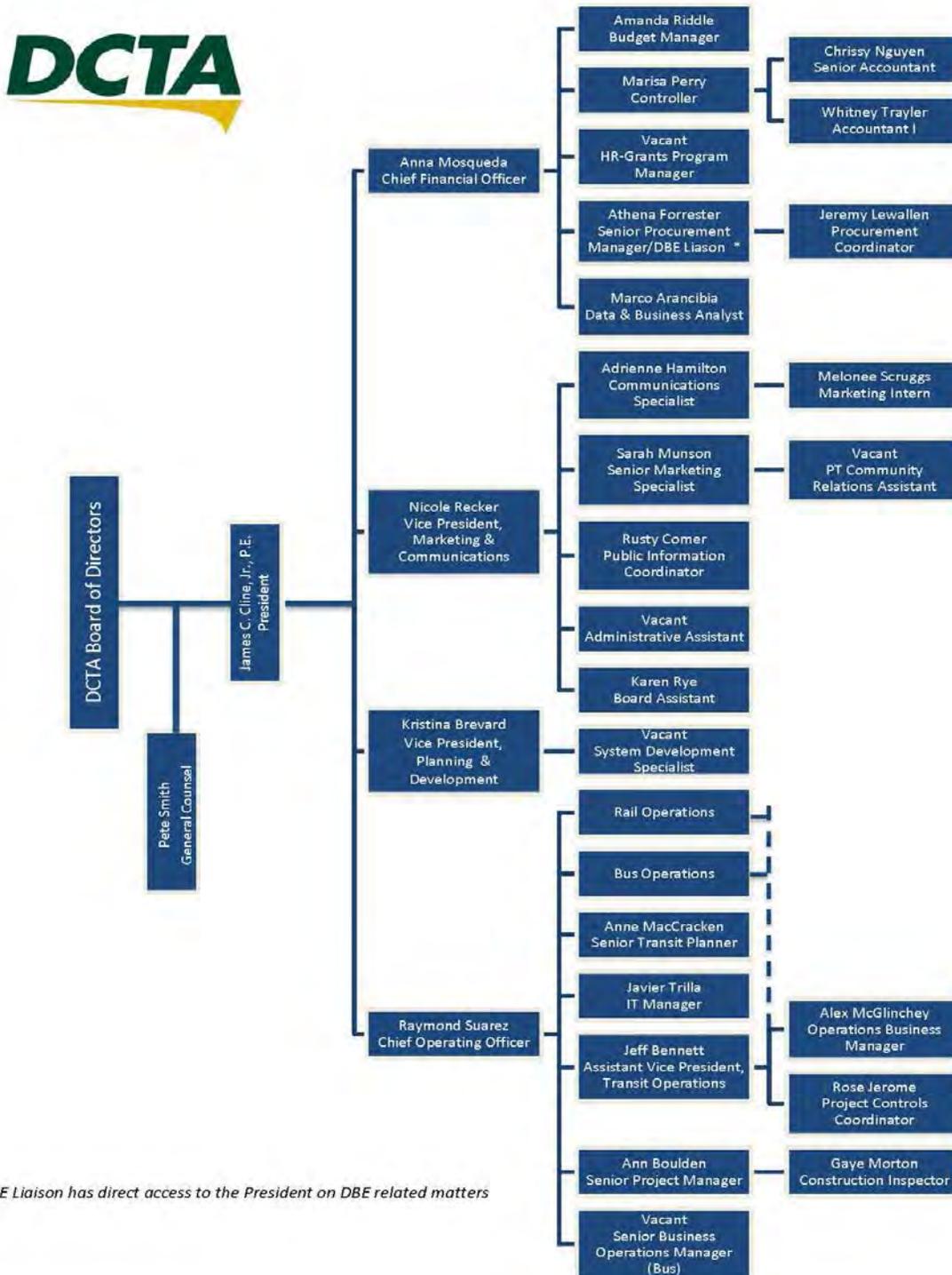
Board Member
Connie White
Small Cities

Board Member
Vacant
Small Cities

Denton County Map



DCTA ORGANIZATION CHART



*DBE Liason has direct access to the President on DBE related matters

DCTA AT A GLANCE

Denton County is the 34th fastest-growing county in the nation, with a population of 707,304, according to the 2012 U.S. Census Bureau. Denton County approved the creation of the Denton County Transportation Authority (DCTA) on November 5, 2002. DCTA is the coordinated county transportation authority for Denton County created to advance public transportation alternatives. DCTA was funded in 2003 by a dedicated sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in 2011. In December 2011, the agency adopted its updated service plan to include system-wide improvements to build on the initial investments and meet the public transit needs caused by the areas dynamic growth.

For the past 12 years, DCTA has accelerated transportation solutions which have been critical to reducing traffic congestion and enhancing air quality, while contributing to orderly growth and development and improving the quality of life for Denton County residents. DCTA achieved a major milestone with the completion of the A-train 21-commuter rail in June 2011. It provides Denton County residents the opportunity to avoid highway traffic while commuting to and from work. They can also enjoy nearby city attractions with friends and family without worrying about parking hassles. In addition to the A-train, DCTA celebrated the grand opening of its new bus operations maintenance facility in February 2014 and anticipates the ownership transfer of the Downtown Denton Transit Center (DDTC) from the City of Denton to be completed in early FY2016.

DCTA operates 12 fixed routes, a general public demand response service, campus shuttle service supporting the University of North Texas (UNT) campus and North Central Texas Community College (NCTC), a 21-mile A-train commuter rail system, vanpool services and demand response/paratransit services. The agency's 57 peak bus vehicles, eight peak rail vehicles, 28 direct employees and 202 third party contract employees serve more than three million passengers annually. DCTA serves three higher-education institutions, connects with the regional transit network and serves key employment, healthcare, retail and government centers.

SAFETY

DCTA's policies, procedures, services, employee training and professional development are focused on the goal of creating and maintaining a culture grounded in the principles of safety and security. The agency's commitment to safety includes investments in design, equipment, training, community and education. These investments have contributed to DCTA successfully and consistently meeting annual agency goals for safe bus operations, resulted in zero reportable injuries during the construction phase of the A-train project, and have led to 1,267 days to date without a reportable occupational injury in rail operations.

In 2011, DCTA completed construction of the A-train project, the 21-mile commuter rail line which was the central element of the agency's initial service plan. Recognizing this was a major construction project that would initiate rail service in areas unfamiliar with commuter rail, DCTA and its contractors placed a strong emphasis on safety through design, occupational training, enforcement and community education. DCTA invested in programs that trained 1,000 first responders on rail vehicle critical response techniques and educated more than 12,000 citizens about rail safety with the agency's Rail Ready program, which is based on Operation Lifesaver's rail safety message.

Services and Activities

DCTA's efforts, in partnership with the Federal Railroad Administration (FRA) and the vehicle manufacturer, to operate the nation's first alternative crashworthiness compliant DMU demonstrates not only the agency's commitment to increased safety for its passengers and operators, but also to improving safety for the commuter rail industry. DCTA's Stadler GTW combines modern European safety engineering measures such as enhanced braking systems and crash energy management with stringent U.S. federal regulatory standards.

In 2014, DCTA completed construction of its new bus operations and maintenance facility funded through FTA's State of Good Repair program. The new building replaces the agency's previously leased temporary facility which consisted of temporary administrative offices, maintenance bays and a bus wash bay shared with local sanitation fleet. The new bus operations and maintenance facility decreases the risk posed by occupational safety hazards that existed in the leased facilities. Safety elements incorporated into the new facility include improved lighting, signage, fire protection, fencing, non-slip surfaces, and key-card access to secure facilities including vehicle parking.

OPERATIONS

Guided by the agency's mission statement to provide safe, customer focused, and efficient mobility solutions for Denton County; DCTA has built ridership on the bus system and launched a regional rail system with the intent of creating and maintaining a system that operates as safely and efficiently as possible.

DCTA closely monitors its system performance and provides statistical performance reports to its Board of Directors monthly. The transit network currently averages 95.38 percent on-time performance. DCTA monitors each route by reviewing passengers' per-mile, passengers' per-hour, total ridership per-month and numerous financial indicators to identify high and low performing areas. Those areas are then further reviewed every six months for adjustment or corrective action. DCTA also closely monitors street repairs and has developed alternative route options to minimize impacts to operations.

When launching the A-train, DCTA collaborated with regional partners to share resources and gain greater operating efficiencies. This resulted in a joint contract for operations and maintenance through a partnership with the Dallas Area Rapid Transit (DART) and Trinity Railway Express (TRE) the first four (4) years of operation.

Factors impacting DCTA's decision included the aggressive timeline for service implementation, a constrained operating budget, the need to maintain the initial fleet and right-of-way leased from DART and the existing relationship among DART, the Fort Worth Transportation Authority (The T) and Herzog Transit Services. Shared overhead allowed DCTA to provide more direct service. DCTA constructed a state-of-the-art rail facility equipped to serve as a regional maintenance and back-up dispatch facility to other regional dispatch centers.

DCTA's selection of the Stadler GTW DMU over traditional commuter rail vehicles offers more efficient operations and smoother travel for passengers. Furthermore, GTWs have better braking and acceleration abilities allowing for shorter headways and improved travel time for DCTA passengers.

CUSTOMER SERVICE

DCTA believes all customers are important. This belief and practice is demonstrated by the 94 percent satisfaction rating consistently given to DCTA staff during annual customer surveys. To maintain service

Services and Activities

excellence, DCTA actively seeks better tools to engage customers, improve the passenger experience, foster a positive work environment and expand transit's influence throughout the region.

A key addition to DCTA customer service was the construction and opening of the Euline Brock Downtown Denton Transit Center (DDTC) in January of 2011, which is staffed by on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. The facility includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and windbreakers. The transit center also offers free Wi-Fi, conference and community rooms, climate controlled waiting area with cable TV, vending machines and a covered patio often used as a free entertainment venue.

In 2012, DCTA implemented GORquest, a web-based and smartphone application that allows customers to communicate with DCTA offering suggestions, commendations and complaints. The comments are monitored by management, logged and tracked to completion with a required seven-day resolution time. 95 percent of issues are resolved within two days.

In January 2015, DCTA launched *Where's My Ride* – a vehicle tracking tool that provides real-time travel information to passengers. *Where's My Ride* helps passengers access the DCTA system more easily by allowing them to obtain predictive arrival information for the next bus or train at a particular stop location via mobile application, SMS text alert, interactive voice response or through an online portal.

FINANCIAL MANAGEMENT

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA'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 20-year planning horizon consistent with the Long Range Service Plan.

As part of the annual budget process and in collaboration with the management team, decisions are evaluated to determine the impact of service enhancements and changes on the 20-year financial plan. These decisions include impact of both the up-front and on-going 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 of revenues including fare box revenues, grants, and sales tax and expenditures.

Not only has DCTA experienced continuous growth in ridership over the last three years, the agency has experienced significant growth in its net assets. DCTA activities for FY2009 thru FY2014 resulted in an increase in net position of \$278 million. The increase primarily has been the result of the A-train capital project and the related reimbursement of \$250 million in expenditures from the Regional Toll Road Funding Initiative (RTRFI). The agency continues to pursue grant opportunities at the state and federal level. DCTA works closely with partnering agencies to improve grant reporting and administration, and expedite project delivery.

DCTA has received the Distinguished Budget Award and the Certificate for Excellence in Financial Reporting from the Government Financial Officers of America (GFOA) as well as the Texas State Comptroller's Leadership

Services and Activities

Circle Silver and Platinum Award. The Leadership Circle award recognizes governmental entities across Texas striving to meet a high standard for financial transparency online. In 2015 DCTA was only one of two transit agencies in Texas to receive the Platinum Award.

ENVIRONMENTAL SUSTAINABILITY

As a transit provider in an ozone non-attainment area, DCTA is committed to smarter environmental practices that reduce emissions, lead to smarter land-use and provide a cleaner environment for residents. DCTA partners with the North Central Texas Council of Governments (NCTCOG) to encourage residents to improve air quality by utilizing alternate forms of transportation. In addition, the agency partnered with NCTCOG on the implementation of a Clean Fleet and Idling Reduction Program, which outlines DCTA's commitment to purchasing only newly manufactured vehicles and decreasing vehicle idling to the minimum necessary to operate service.

DCTA promotes ridesharing and use of other transportation alternatives. In July of 2011, DCTA began its first Commuter Vanpool program, which has grown to 25 active vanpools in less than three years. As part of the A-train project, DCTA constructed an eight-mile bicycle/pedestrian trail which connects residential properties and business to the A-train and the bus network. In February 2015, DCTA began construction of the first of two phases of the A-train Rail Trail that will connect the train alignment with a complementary bike/pedestrian facility in Lewisville. Once completed, this trail will connect with planned and existing trails in five municipalities and complete a portion of the Regional Veloweb.

One of DCTA's biggest achievements for environmental sustainability was its partnership with the Federal Railroad Administration (FRA) in June 2012 to operate Swiss-made Stadler GTW vehicles on the on the same tracks as freight trains. This allowed light-weight/fuel efficient, eco-friendly low-floor vehicles to operate in rail corridors concurrently with traditionally compliant vehicles. The Stadler GTW DMU vehicles have improved fuel efficiency over the previous RDC vehicles DCTA leased and have level boarding which minimizes the dwell time at stations.

WORKFORCE DEVELOPMENT

Continuous quality education and training 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. DCTA encourages and funds participation in industry training, conferences, professional organizations and career advancement opportunities. The agency also provides flexible work hours for the employee to support training and career development. DCTA bus operations staff is given class instruction quarterly on driving techniques and defensive driving. In addition, each bus and rail operator has a weekly "ride-along" review by management.

DCTA also focuses on career advancement for its current employees and workforce development for future public sector employees. The majority of supervisors and administrative staff for DCTA Operations began as bus and rail operators. DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, marketing, finance, planning and public administration.

ATTENDANCE AND EMPLOYEE COSTS

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 also has a direct correlation to employee costs and efficiencies. The agency has been in an aggressive service implementation mode since inception. That intensity has not slowed down since the launch of the A-train. In order to help re-focus efforts on key issues identified by staff, DCTA management initiated the "Unity Effort" based on nine goals for success which were developed by the staff. DCTA staff identified challenges and opportunities and developed action plans to address them. Although many of the challenges have been addressed, staff continues this effort through periodic strategy sessions with the executive management team.

All bus operations staff members meet with the General Manager monthly to review schedules and receive instructions in customer relations techniques and latest transit operational training aids. Staff is also encouraged to seek additional education opportunities and to interface with operators daily. Employees are made aware of attendance rules regularly and a "point" system is in place, to measure attendance records. DCTA Executive Management holds quarterly governance meetings with First Transit Management staff to communicate expectations and review performance metrics.

In early 2011, DCTA conducted a compensation study and established a pay-scale system for employees, designed to help the agency be competitive. A follow-up market study was conducted in 2013 and confirmed that DCTA's benefits and salaries were still competitive in the market. In 2012, DCTA implemented a succession plan/development program that motivates employees, controls compensation costs, sets standards for merit increases, ensures fairness and equity, and develops future transit leaders by prioritizing professional development and training. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

MINORITY AND WOMEN ADVANCEMENT

DCTA is committed to promoting diversity internally and externally by developing policies and programs that support diversity and promote inclusiveness. 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 on the basis of 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 business in contracting opportunities. DCTA works with contractors to identify DBE/SBE's available in the local area to perform as subcontractors and encourages the use of small firms in performance of the contracts. The \$193 million A-train track construction project exceeded the agency diversity goal which resulted in nearly \$40 million being awarded to disadvantaged businesses.

MARKETING

Transit is still new to most Denton County residents who abide by the "car" culture that is prevalent throughout Texas. Marketing efforts by DCTA have been important to attract and retain riders and demonstrate the benefits of investing in a transit system. DCTA's marketing and communications department main objective is to promote and enhance the organization's brand identity through effective marketing, advertising, communications, and public relations efforts to help increase ridership.

DCTA's marketing and communications department has made significant strides in implementing new marketing campaigns, increasing communications, expanding community outreach efforts, enhancing customer service requirements, and instituting cost-effective new technology. Below are specific campaigns and projects in Fiscal Year 2015 that have increased DCTA brand awareness and ridership:

- Launched the Valentine's Day #BeMine campaign which caused an increase in ridership, received extensive media coverage and won various industry awards.
- Launched a newly branded Summer Youth Pass campaign which caused a 23 percent increase in passes year over year.
- Increased online advertising which resulted in a 156 percent increase in impressions over the projected annual goal.
- Implemented *Where's My Ride* to deliver customer service directly to a passenger's fingertips, which caused a decrease in call center volumes.
- Successfully placed local, regional, state and national press coverage for DCTA; increasing media placements by 5 percent year over year.

In addition to its own marketing efforts, the agency's marketing and communications department collaborates with various community partners, stakeholders and higher-education institutions to further promote the DCTA brand and help increase ridership. DCTA's marketing and communications efforts have been recognized with regional ADDY awards, Hermes Creative awards, Southwest Transit Association (SWTA) Spotlight Awards and American Public Transportation Association (APTA) AdWheel Awards, and featured in public transportation industry media outlets.

POLICY AND ADMINISTRATION

DCTA's policies and administration, led by its Board of Directors and President, have created a safe, efficient and financially stable transit operation. DCTA staff work under the direction of the President and executive management team representing operations, finance and administration, capital planning, marketing and service development. Transit services are provided through contracts with First Transit and Herzog Transit Services. DCTA has adopted a set of policies to demonstrate accountability to the public and to guide investments and service planning. The agency's financial 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, fuel stabilization, and a capital/infrastructure reserve. In addition, the policy outlines the process for evaluating revenue forecasts and contracts for service. Other processes included

Services and Activities

are accounting and financial reporting, budget development, purchasing, cost allocation, debt management and investments.

In December 2011, the Board of Directors adopted an updated 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 will serve as a road map guiding DCTA's service planning, capital improvement program and financial planning through 2035.

COMMUNITY RELATIONS

DCTA understands the importance of developing and maintaining strong relationships with its surrounding communities. From 2011 to present time, DCTA has participated in more than 350 community events, hosted nearly 100 events and community meetings reaching more than 500,000 individuals. To help promote positive relationships, DCTA has developed and participated in various efforts to improve the quality of life for Denton County residents and the North Texas Region, including:

- For the past three years, DCTA's organizational efforts to advance mobility and improve the quality of life for its communities have been recognized by the North Texas Commission Transportation Excellence Award, North Texas Clean Air Coalition, Lewisville Area Chamber of Commerce, North Central Texas Council of Governments and the Denton Economic Partnership.
- DCTA continues to educate the public on how to ride transit and to assist with transitioning eligible demand response users to fixed-route service through its travel training program.
- In December 2013, DCTA partnered with the UNT and Denton Convention and Visitors Bureau to provide A-train service and distributed 750 free regional transit passes for the Heart of Dallas Bowl game on New Year's Day. New Year's Day is not a regular service day, but the agency provided A-train service in support of UNT and to accommodate Mean Green fans attending the game.
- In April 2014, DCTA participated in Denton's Arts & Jazz festival and hosted a canned food drive during the event that benefited the Mayor's Day of Concern for the Hungry.
- In June 2015, DCTA hosted a ribbon-cutting ceremony with the City of Denton and SEDNA to commemorate the completion of numerous community enhancements the agency has done for the Denton community.
- Established relationships with businesses to create leads for DCTA's Corporate Pass Program and In-transit Marketing Program that will be developed and implemented in Fiscal Year 2016.
- DCTA has been an advocate of regional partnerships since its inception. As a result of the agency's positive reputation and the advocacy efforts of its chairman, DCTA's chairman and president were tasked by the Regional Transportation Council to form and lead the North Texas Regional Rail Alliance to foster, coordinate and advance regional rail projects in North Texas.

SERVICES

REGIONAL RAIL SERVICE: A-train

The A-train is a 21-mile regional rail system connecting Denton County and Dallas County. DCTA has five A-train stations; two in Denton, three in Lewisville and connects with the Green Line at DART at their Trinity Mills Station in Carrollton. DCTA's A-train connects Denton County residents with many destinations served by DART, TRE and the The T.

A regional rail system has been the overarching goal of DCTA since its inception. DCTA and Denton County leaders and residents recognized the need for such a system based upon projected population and employment growth; growing traffic congestion, air quality concerns and the need to improve access to Denton County's health care facilities, employment centers, retail and entertainment opportunities and higher education campuses.

Upon the completion of construction and the official opening of the A-train regional rail project the agency carried 8,300 passengers on its first day of service in June 2011. The A-train runs along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate 35E. This regional rail line includes an adjacent bicycle and pedestrian path to provide further transportation options for the people of Denton County.

The next major milestone the agency will address is the implementation of federally mandated Positive Train Control (PTC). DCTA has partnered with the DART/Trinity Rail Express (TRE) and TexRail to form the North Texas Commuter Rail Alliance to address regional rail issues including PTC. PTC and related funding is incorporated in DCTA's five-year capital plan.

Service Area Map – A-train



BUS OPERATIONS

LOCAL FIXED - ROUTE SERVICES:

Passengers have connections to many destinations within Denton and Lewisville via DCTA Connect, the Authority's local fixed-route bus service. In Highland Village and North Lewisville, residents use Connect RSVP on-demand service to travel and connect to other DCTA transit options.

In Denton, passengers travel any of nine routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including UNT, TWU, as well as schools within the Denton Independent School District (DISD).

In Lewisville, residents use the three DCTA Connect routes Monday through Saturday to reach places such as City Hall, shopping centers, schools, and social service agencies.

The DCTA Connect RSVP service provides on-demand transportation in Highland Village and North Lewisville. Destinations include private residences, local shopping centers, grocery stores and key employment centers. Passengers may transfer from Connect RSVP to Lewisville Connect routes and the A-train.



CAMPUS SHUTTLES:

DCTA offers low-cost, safe and reliable transportation services to the Denton County campuses of North Central Texas College (NCTC), University of North Texas (UNT) and Texas Woman's University (TWU).

- **NCTC:** The NCTC Shuttle is a DCTA service offered in partnership with NCTC to provide shuttle service to the Corinth and Flower Mound campuses, as well as connectivity between Denton and Lewisville.
- **UNT:** The UNT Shuttle is a DCTA service offered in partnership with UNT to provide



Services and Activities

direct shuttle service to the Denton campus and off campus student-oriented housing. Connect Routes 7, 8, and 9 serve UNT from the Euline Brock Downtown Denton Transit Center (DDTC).

- **TWU:** Students may use DCTA Connect bus service and are able to purchase discounted Connect passes exclusively at the TWU Student Union (room 209). Connect Routes 4, 5 and 6 serve the area around Texas Woman's University from the DDTC.



DEMAND RESPONSE SERVICE:

The DCTA Access service offers curb to curb ADA paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access services zones. ADA paratransit service is provided by DCTA for customers traveling within $\frac{3}{4}$ -mile from the Connect local fixed-routes and is available to those with Americans with Disabilities Act eligibility. Reservations are accepted up to seven days in advance.



VANPOOLS:

Commuter Vanpools are an additional DCTA service which provides a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of five to 15 people who live or work in Denton County. DCTA provides funding for half of all vanpool costs, providing a low cost commuting alternative. Additionally, DCTA will assist interested commuters with finding an active vanpool in their area.



Service Area Map – Bus Transit Services



OPERATING BUDGET SUMMARY



OPERATING BUDGET SUMMARY

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 the foundation for the long range Service Plan goals and is a building block for the DCTA long range financial model. The long range financial model is an important planning tool used to evaluate DCTA's financial strengths and weaknesses, prioritize goals, and evaluate options. Staff presents the budget as a financial expression of current goals, objectives for the coming year, and a snapshot view of capital needs for the following four years.

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 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. Finally, the budget communicates our strategic operating plans to operate the first full year of A-train service along with current bus services. The budget and strategic 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 Denton County citizens about the financial condition of DCTA.

The budget provides a tool for staff to monitor the financial performance of the Agency and provides a tool to measure that performance. 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 Budget Amendment Procedures 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 expenditures to budget and reporting material variances to the Board on a monthly basis.
5. Using standards and benchmarks established in the budget and comparing the results of operations.

BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and 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 other grants. 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. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for 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.

BUDGET PREPARATION

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

1. Goals, Objectives and Performance Measures
Development of overall agency goals and corresponding department objectives and performance measures for the upcoming fiscal year.
2. Cash Flow Model Adoption
3. Board of Directors adopts a rolling five-year cash flow model that serves as the foundation of the budget.
4. Revenue Projections
5. Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
6. Operating Expenses and Expanded Level Projects
7. 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 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. Once all of the Expanded Level Projects are identified and ranked, executive staff reviews all requests and determines which projects would facilitate the agency's needs and will be included in the operating budget.
8. Capital Budget and Five Year Capital Plan
9. The final step in completing the budget is determining the capital budget and Five Year Capital Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.

BUDGET CALENDAR

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



FISCAL YEAR 2015 ACCOMPLISHMENTS

DCTA made significant strides in implementing components of the Service Plan, as well as creating the foundation for successfully achieving major milestones, these included:

Strategic Planning & Development

- Established a new Strategic Planning & Development department to focus on long range agency plans and regional transit initiatives.
- Worked to successfully seek passage of legislation to amend Chapter 460 of the Transportation Code to provide limited liability for Class I Railroads and make administrative corrections.
- Directly engaged US Senate/US House member offices and committee staff advocating for relief from the pending PTC deadline.

Finance

- Received unqualified “clean” opinion on external audit and Single Audit (OMB Circular A-133) with no management comments
- Submitted and received \$2.4 million in Texas Department of Transportation-Transportation Alternatives Program (TAP) grant funding for completion of last segment of A-train rail trail in Lewisville
- Received Texas Comptrollers Leadership Circle Transparency Award – Platinum Award. One of only two transit agencies in the state to achieve this level.
- Received Government Finance Officers of United States and Canada (GFOA) awards for:
 - Distinguished Budget Award FY15
 - Certificate of Excellence in Financial Reporting FYE 9/30/2014
- Initiated review of DCTA's sales/use tax remittances and related information to help ensure the agency is received all sales tax to which it is entitled
- Completed Comprehensive Fare Revenue Analysis Project
- Completed following major procurements:
 - Positive Train Control
 - Rail Signal System Shunting Enhancement
 - Enhanced Marketing and Creative Services
 - Multiple year contracts for large transit buses, auto parts, fluids, repairs, tires
 - Electric Service
 - Broker Services for Excess Rail Liability/Property coverage
 - Comprehensive Compensation and Classification Study
 - Sales and Use Tax Review
- Completed Federal Transit Administration Triennial Review and Enhanced Procurement Review with no repeat findings and minimal corrective action to be completed by December of 2015.

Fiscal Year 2015 Accomplishments

- In addition to STIP/TIP Program of Projects and related Urbanized Area formula grants activity, the following grant applications were submitted in response to Calls for Projects:
 - TxDOT TAP – Lewisville Hike & Bike for remaining gap between Old Town Station to Highland Village (Lewisville Lake)- \$2.4 million grant application
 - U.S. Department of Transportation- Transportation Investment Generating Economic Recovery (TIGER) Grant to fund system and facilities for Express Bus East-West Connector Service for various parts of Denton County - \$10 million grant application
- Began development of a more streamlined Grant Management process consistent with the agency Long-Range Plan
- Initiated Quarterly Grant Status Report to Board of Directors
- Begin bi-annual Compensation and Classification study to be completed November of 2015
- Restructured and streamlined documentation for new hire process

Transit Operations

- FY15 was a significant and challenging year for the Operations department beginning with multiple ice days in January and February followed by flooding in June which temporarily shut down A-train service. Yet, through the collective efforts of the DCTA staff and DCTA's bus and train operating crews, the impact to passenger services were minimized. Despite the tremendous efforts of DCTA, Herzog, First Transit and TMDC, the flood conditions resulted in significant damage to the A-train infrastructure and minor damage to the Bus operating facility in Denton. The DCTA Operations department played a key role helping Denton County qualify for Federal Emergency Management Agency (FEMA) financial assistance. Staff is diligently working with FEMA to establish the necessary programs for FY 16 implementation.
- UNT fleet of 18 vehicles experienced several mechanical failures. DCTA operations took a lead role in support of UNT to negotiate with Cummins for 18 deeply discounted new engines. An engine replacement campaign was implemented along with a redesign and install of a new air intake system.
- The Where's My Ride (WMR) bus and train installation was completed during FY15 and is now fully functional.
- A Positive Train Control (PTC) system was awarded for an Enhanced Automatic Train Control system (E-ATC). The solution will be implemented by 2017 and is well within DCTA's financial plan allocations for PTC and will meet Federal requirements.
- An Operating and Maintenance contract with Herzog for continued operations beginning October 2015 and an inter-local agreement (ILA) was negotiated with regional partners (DART and the Fort Worth T).

Communications & Marketing

- Implemented a successful strategic marketing and communications plan to act as a roadmap throughout the year

Fiscal Year 2015 Accomplishments

- Increase online advertising which resulted in a 156% increase in impressions over the projected annual goal
- Increased media placements by 5% year over year
- Hosted a recognition ceremony with the City of Denton and SEDNA in support of the efforts that brought to A-train Rail Trail to life
- Established relationships with businesses to create leads for the Corporate Pass Program and In-transit Marketing Program that will be developed and implemented in FY '16
- Developed new position to oversee customer service communications and impact on passenger communications
- Implemented Where's My Ride to deliver customer service directly to a passenger's fingertips, which caused a decrease in call center volumes
- Implemented Where's My Ride vehicle tracking tool to enhance the overall customer experience
- Implemented Cision media relations software to increase media relations coverage, expand outreach efforts and measure placement impressions and value
- Implemented WeVideo in order to create organic video content to share via social media platforms

Schedule of Expenditures – Budget Basis (Excluding Depreciation)

	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised Budget	FY 2016 Budget
Operating Revenues				
Passenger Fares	\$ 1,454,751	\$ 1,515,377	\$ 1,515,377	\$ 1,542,909
Contract Service Revenue	3,061,389	3,259,635	3,259,635	3,263,687
Total Operating Revenues	\$ 4,516,140	\$ 4,775,012	\$ 4,775,012	\$ 4,806,596
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 7,658,569	\$ 9,173,857	\$ 9,119,996	\$ 9,394,250
Services	1,937,443	2,189,251	2,160,535	2,424,784
Materials & Supplies	2,891,739	4,160,775	3,916,524	3,783,284
Utilities	416,818	452,149	452,149	511,361
Insurance, Casualties & Losses	775,987	778,016	778,016	800,215
Purchased Transportation Services	9,632,780	9,853,076	9,963,587	11,633,624
Miscellaneous	123,605	245,475	255,475	281,347
Leases & Rentals	352,479	207,204	207,204	216,183
Total Operating Expenses	\$ 23,789,419	\$ 27,059,803	\$ 26,853,486	\$ 29,045,048
Operating Income / (Loss)	\$ (19,273,280)	\$ (22,284,791)	\$ (22,078,474)	\$ (24,238,452)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 21,367,086	\$ 21,347,080	\$ 22,180,196	\$ 23,067,404
Net Investment Income / (Expenses)	21,100	33,000	33,000	20,000
Long-Term Debt Interest / (Expense)	(1,451,364)	(2,721,899)	(2,721,899)	(1,156,422)
Non-Operating Revenues / (Expenses)	81,520	6,300	6,300	1,500
Federal Grants & Reimbursements	7,025,190	16,617,500	7,592,667	10,753,357
State Grants & Reimbursements	648,939	2,358,300	2,415,963	-
Debt Issuance	-	5,500,000	-	-
Total Non-Operating Revenue	\$ 27,692,472	\$ 43,140,281	\$ 29,506,227	\$ 32,685,839
Change in Net Position	\$ 8,419,192	\$ 20,855,490	\$ 7,427,753	\$ 8,447,387
Net Position - Beginning of Year:	\$ 322,442,084	\$ 325,983,321	\$ 325,983,321	\$ 321,034,699
Net Position - End of Year:	\$ 330,861,276	\$ 346,838,811	\$ 333,411,074	\$ 329,482,086
<i>Transfer to Capital Projects</i>	<i>\$ 4,877,955</i>	<i>22,516,242</i>	<i>12,376,375</i>	<i>9,271,359</i>
Net Position After Capital Project Transfer	\$ 325,983,321	\$ 324,322,569	\$ 321,034,699	\$ 320,210,727

Change in Net Assets- Budget Basis (Including Depreciation)

	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised Budget	FY 2016 Budget
Operating Revenues				
Passenger Fares	\$ 1,454,751	\$ 1,515,377	\$ 1,515,377	\$ 1,542,909
Contract Service Revenue	3,061,389	3,259,635	3,259,635	3,263,687
Total Operating Revenues	\$ 4,516,140	\$ 4,775,012	\$ 4,775,012	\$ 4,806,596
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 7,658,569	\$ 9,173,857	\$ 9,119,996	\$ 9,394,250
Services	1,937,443	2,189,251	2,160,535	2,424,784
Materials & Supplies	2,891,739	4,160,775	3,916,524	3,783,284
Utilities	416,818	452,149	452,149	511,361
Insurance, Casualties & Losses	775,987	778,016	778,016	800,215
Purchased Transportation Services	9,632,780	9,853,076	9,963,587	11,633,624
Miscellaneous	123,605	245,475	255,475	281,347
Leases & Rentals	352,479	207,204	207,204	216,183
Depreciation	8,875,337	9,503,440	9,503,440	9,981,205
Total Operating Expenses	\$ 32,664,756	\$ 36,563,243	\$ 36,356,926	\$ 39,026,253
Operating Income / (Loss)	\$ (28,148,617)	\$ (31,788,231)	\$ (31,581,914)	\$ (34,219,657)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 21,367,086	\$ 21,347,080	\$ 22,180,196	\$ 23,067,404
Net Investment Income / (Expenses)	21,100	33,000	33,000	20,000
Long-Term Debt Interest / (Expense)	(1,451,364)	(2,721,899)	(2,721,899)	(1,156,422)
Non-Operating Revenues / (Expenses)	81,520	6,300	6,300	1,500
Federal Grants & Reimbursements	7,025,190	16,617,500	7,592,667	10,753,357
State Grants & Reimbursements	648,939	2,358,300	2,415,963	-
Debt Issuance	-	5,500,000	-	-
Total Non-Operating Revenue	\$ 27,692,472	\$ 43,140,281	\$ 29,506,227	\$ 32,685,839
Change in Net Position	\$ (456,145)	\$ 11,352,050	\$ (2,075,687)	\$ (1,533,818)
Net Position - Beginning of Year:	\$ 322,442,084	\$ 317,107,984	\$ 317,107,984	\$ 302,655,922
Net Position - End of Year:	\$ 321,985,939	\$ 328,460,034	\$ 315,032,297	\$ 301,122,104
<i>Transfer to Capital Projects</i>	<i>\$ 4,877,955</i>	<i>22,516,242</i>	<i>12,376,375</i>	<i>9,271,359</i>
Net Position After Capital Project Transfer	\$ 317,107,984	\$ 305,943,792	\$ 302,655,922	\$ 291,850,745

Statement of Cash Flows

	FY 2015	FY 2016
Estimated Beginning Cash Balance	20,655,595	16,505,971
Operating Activities		
Operating Revenue	\$ 4,775,011	\$ 4,806,596
Sales Tax Revenue	22,180,196	23,067,404
G&A Operating Expenses*	(4,376,567)	(4,895,760)
Rail Operating Expenses*	(12,452,741)	(14,209,448)
Contract Bus (TMDC) Operating Expenses*	(10,024,178)	(9,939,842)
Total Operating Activities	\$ 101,721	\$ (1,171,050)
Investing Activities		
G&A Capital Expenditure	\$ (300,903)	\$ (495,000)
Rail Capital Expenditure	(9,856,872)	(5,210,445)
Bus Capital Expenditure	(1,419,600)	(3,565,914)
Non-Operating (Expense)/Income	6,300	1,500
Investment Income	33,000	20,000
Federal / State Grants & Reimbursements	10,008,630	10,753,357
Total Investing Activities	\$ (1,529,445)	\$ 1,503,498
Financing Activities		
Debt Issuance	\$ -	\$ -
Debt Payment	(2,721,900)	(2,736,423)
Total Financing Activities	\$ (2,721,900)	\$ (2,736,423)
Net Increase (Decrease) in Cash	\$ (4,149,624)	\$ (2,403,975)
Estimated Ending Cash Balance	\$ 16,505,971	\$ 14,101,996

* Operating expenses net of depreciation expense

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 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 cash flow model serves as the first building block of the budget.

The long-range financial model 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, CPI, and Energy Information Administration.

Reserve Fund Policies

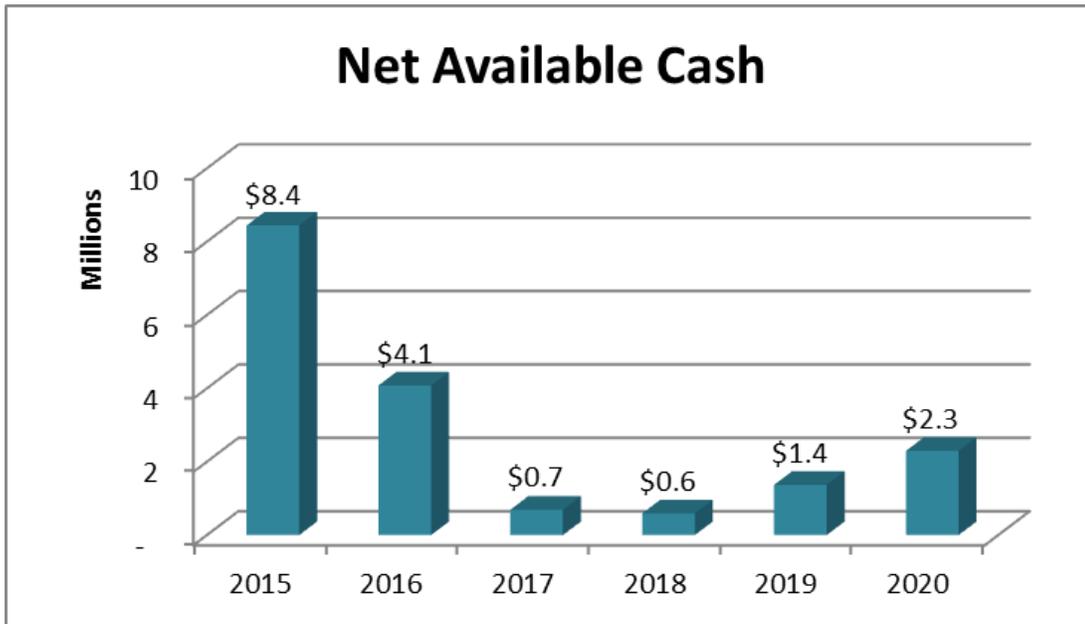
Adequate reserve levels are a necessary component of DCTA's overall financial management strategy and a key factor in external agencies' measurement of DCTA's financial strength. Funding priorities based on Board policy are in the order listed below:

- 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 unreserved/undesigned retained earnings. 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 establish and 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 sales tax.
- c. It will be the policy of DCTA to establish and 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 Facilities/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 establish and maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.05 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.

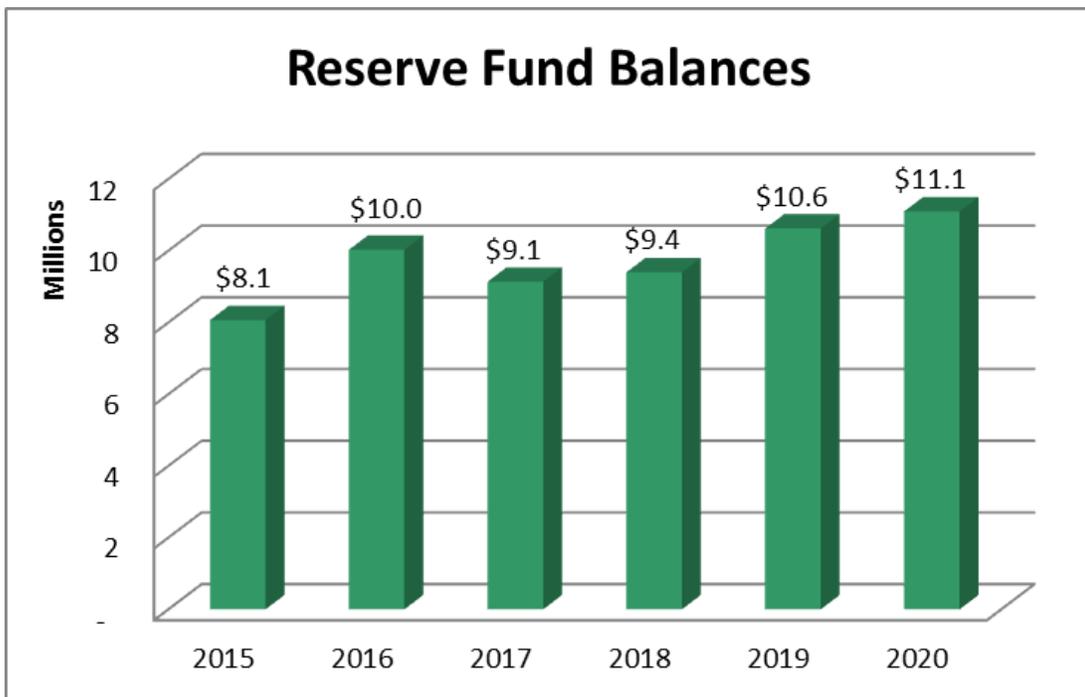
Contributions to the Capital Replacement/Infrastructure Maintenance, Sales Tax Stabilization and Fuel Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget.

Statement of Cash Flows

The Sr. V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time.



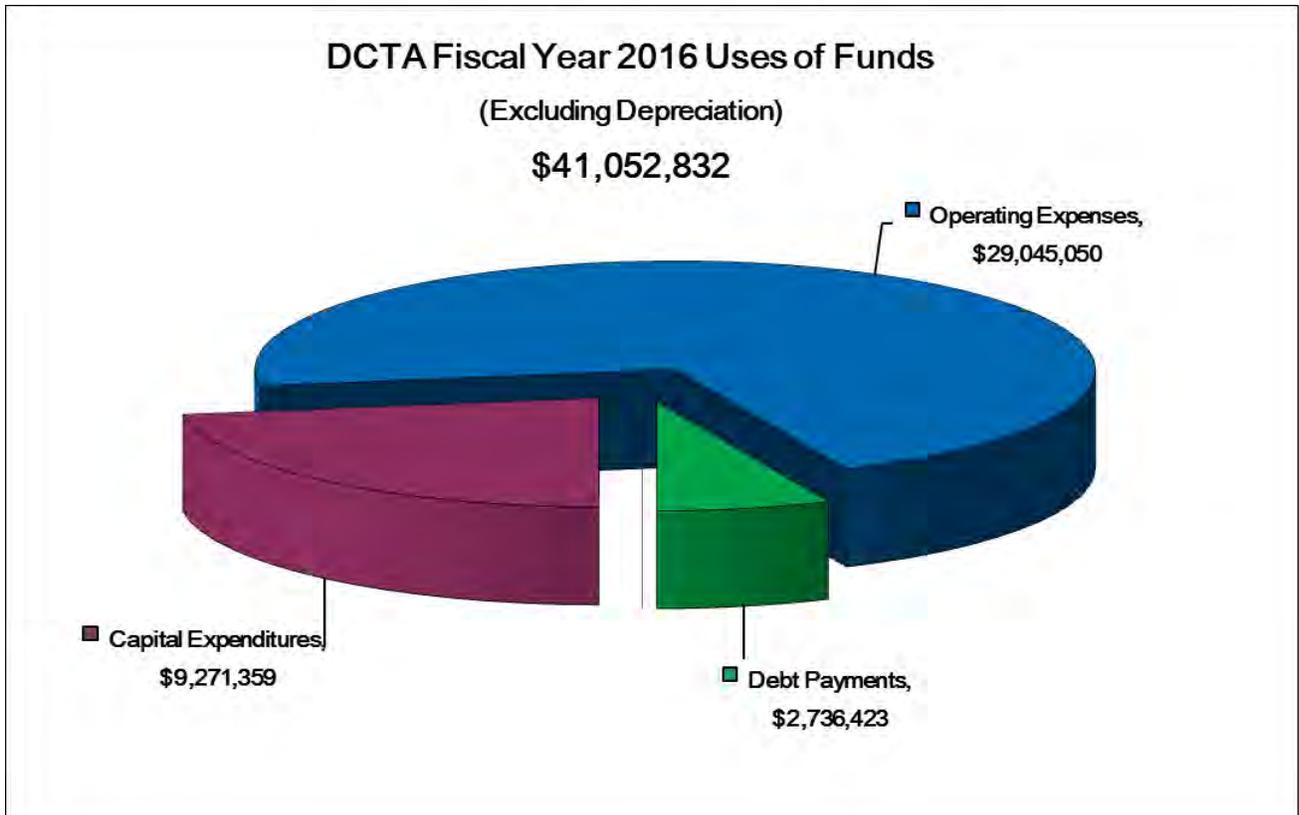
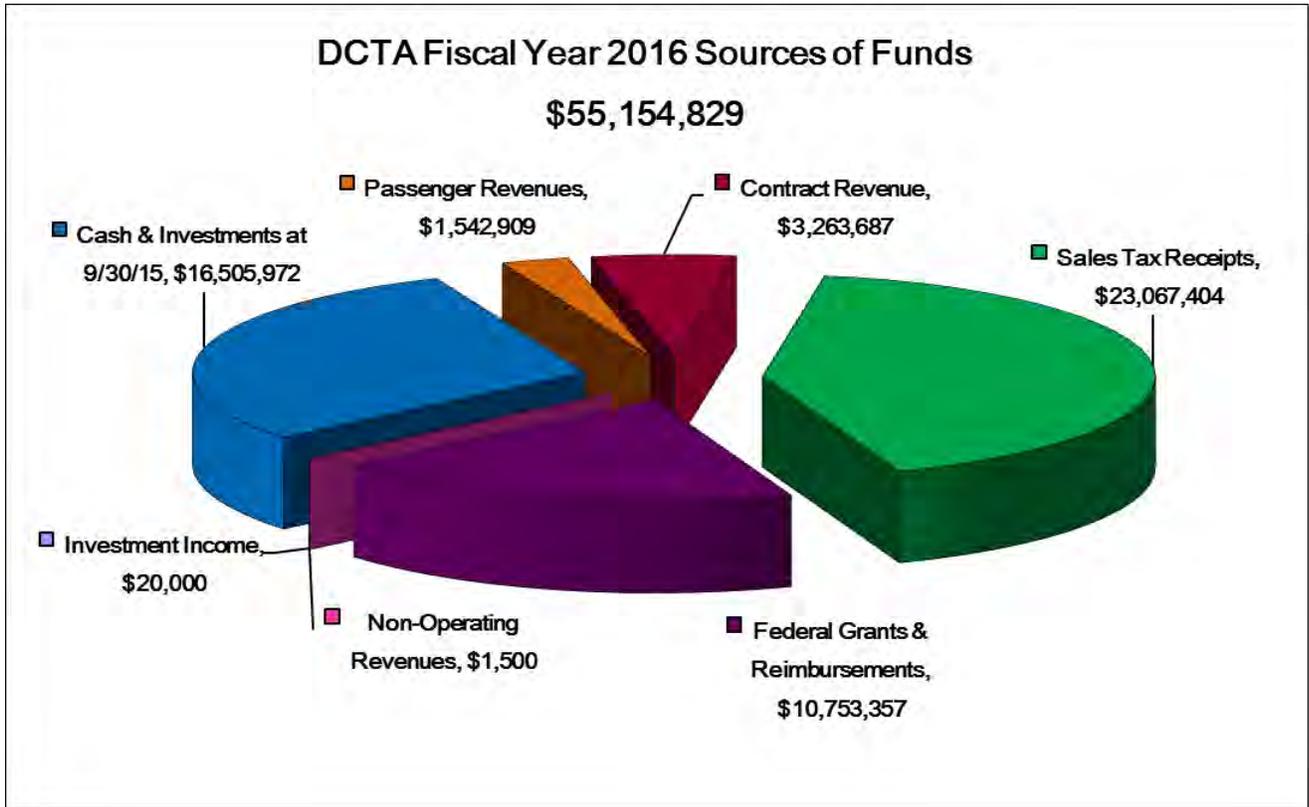
Net available cash is cash balance after annual operating and capital expenses as well as reserve funds have been removed.



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

Statement of Cash Flows

OPERATING REVENUES	2015	2016	2017	2018	2019	2020
Beginning Fund Balance:	\$ 20,655,595	\$ 16,505,972	\$ 14,101,996	\$ 9,824,951	\$ 9,987,725	\$ 11,986,973
Bus Operating Revenue	\$ 3,895,151	\$ 3,931,918	\$ 4,036,511	\$ 4,144,108	\$ 4,254,798	\$ 4,437,520
Rail Operating Revenue	879,860	874,678	883,425	892,259	901,182	1,000,312
NON-OPERATING REVENUES						
Sales Tax Revenue	22,180,196	23,067,404	23,990,100	24,949,704	25,947,692	26,985,600
Formula Grants (Operating)	4,653,518	4,643,442	4,620,481	7,340,095	6,102,105	7,434,543
Interest Income-Non RTRFI Funds	33,000	20,000	42,306	29,475	29,963	35,961
Misc. Revenue	6,300	1,500	1,500	1,500	1,500	1,500
Total Revenues	31,648,025	32,538,942	33,574,323	37,357,141	37,237,240	39,895,435
OPERATING EXPENSES						
Bus Operating Expense	10,024,178	9,939,842	10,243,828	10,623,884	11,002,203	11,390,742
Rail Operating Expense	12,452,741	14,209,448	14,093,212	14,483,589	14,698,234	15,909,192
G&A Operating Expense	4,376,567	4,895,760	5,040,692	5,206,636	5,377,380	5,554,181
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense						
Total Expenses	26,853,486	29,045,050	29,377,732	30,314,108	31,077,817	32,854,116
NET INCOME	4,794,539	3,493,892	4,196,591	7,043,033	6,159,423	7,041,320
CAPITAL OUTLAY						
Bus Capital Expenditure	1,419,600	681,914				
Fleet Replacement Expense		2,884,000	1,750,000	1,030,000	2,633,050	1,215,000
Professional Services / Technology Improvements	300,903	495,000	-	-	-	-
Right of Way	-	139,657	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	2,450,518	-	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	268,780					
HV Parking Expansion	31,073					
Rail Station Improvements	626,861	191,300				
Rail MOW	590,795					
Rail MOE	2,079,819					
Single Car Operations / Shunt Enhancement	220,631					
Re-Railing Equipment	121,000					
Rail Capital Maintenance		1,171,000	3,970,430	4,330,999	745,000	2,293,971
Disaster Recovery - 2015 Floods	1,000,000	500,000				
Rail Mobilization	2,119,517					
Positive Train Control	347,878	3,208,488	7,486,472	9,694,960		
Total Capital Outlay	11,577,375	9,271,359	13,206,902	15,055,959	3,378,050	3,508,971
CAPITAL SOURCES						
New Money (Debt Issuance)				5,500,000		
RTRFI/RTC Funds		1,952,557	5,989,177	4,558,265		
Formula Grants (Capital)	5,355,112	4,157,358	1,487,500	875,500	2,238,093	1,032,750
Total Capital Sources	5,355,112	6,109,915	7,476,677	10,933,765	2,238,093	1,032,750
DEBT SERVICE						
2008 Issue (ST) Debt Service						
2009 Refunding (ST) Debt Service	1,716,492	1,718,387	1,713,687	1,717,590	1,714,697	1,715,209
2011 Contractual Obligations (Vehicles)	751,945	763,955	770,183	775,785	785,761	794,955
2011 Contractual Obligations (PTC)	253,463	254,081	259,542	264,691	264,526	269,205
2018 Contractual Obligations (PTC)	-	-	-	-	255,233	382,850
Total Debt Service	2,721,900	2,736,423	2,743,412	2,758,066	3,020,217	3,162,219
Gross Sales Tax Coverage:	8.15	8.43	8.74	9.05	8.59	8.53
Internal Debt Service Coverage:	1.76	1.28	1.53	2.55	2.04	2.23
Ending Fund Balance:	16,505,972	14,101,996	9,824,951	9,987,725	11,986,973	13,389,853
Less Required Fund Balance (O&M Reserve Policy):	6,713,372	7,261,263	7,344,433	7,578,527	7,769,454	8,213,529
Less Sales Tax Stabilization Fund	665,406	692,022	719,703	748,491	778,431	809,568
Less Fuel Stabilization Fund	50,000	72,582	72,582	72,582	72,582	72,582
Less Capital/Infrastructure	638,664	2,000,000	1,000,000	1,000,000	2,000,000	2,000,000
Net Available Cash	8,438,530	4,076,130	688,233	588,125	1,366,506	2,294,174



Operating Budget by Classification (including depreciation)

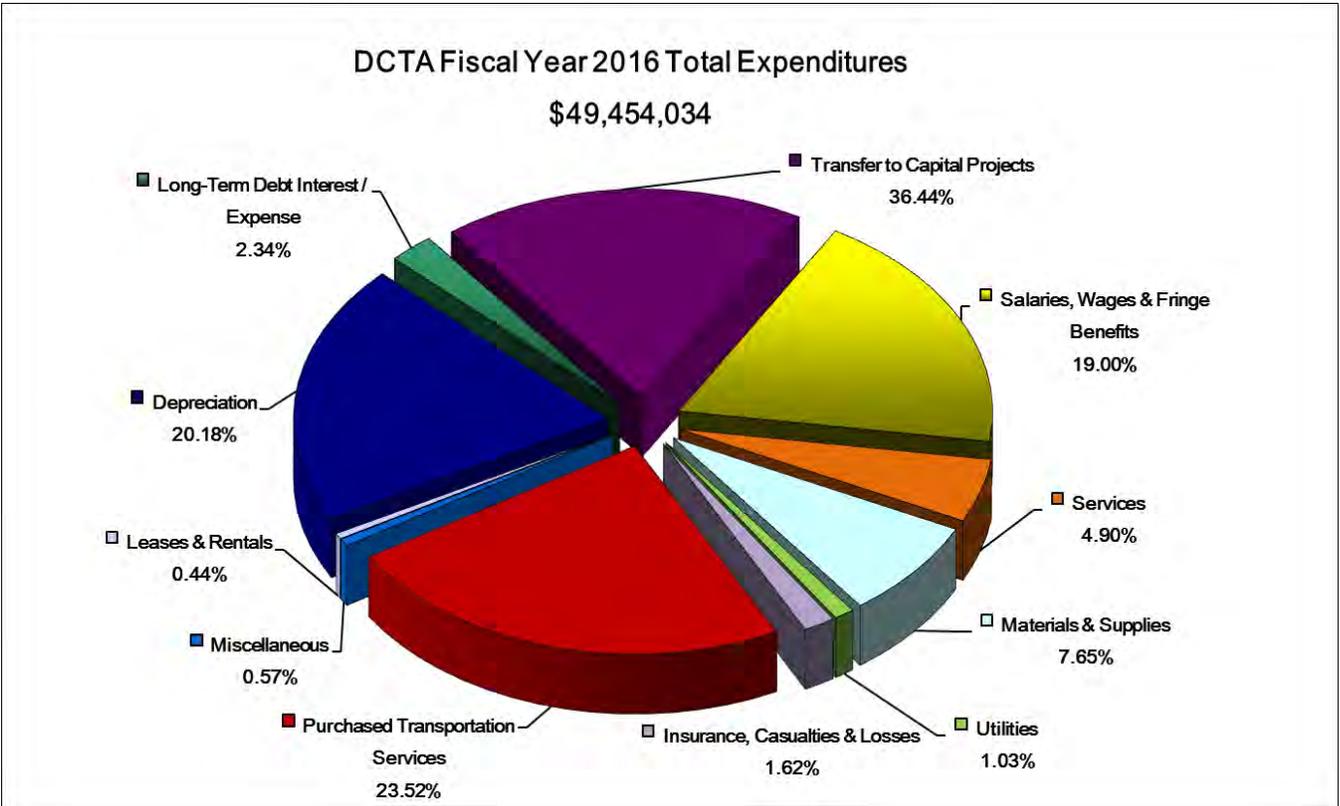
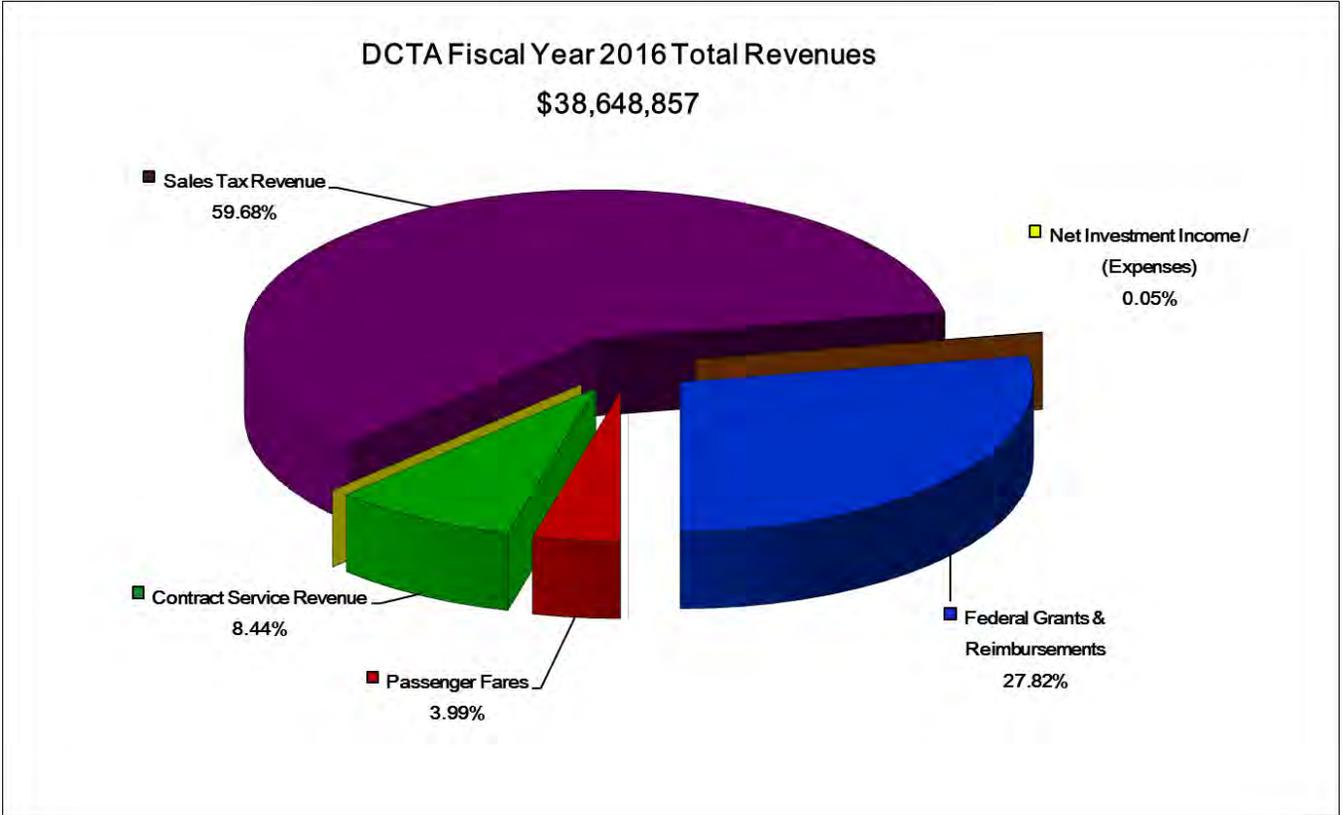
SUMMARY (millions)

	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised Budget	FY 2016 Budget	% CHANGE FY 16 to FY 15 Rev Budget
TOTAL REVENUES	\$ 33.7	\$ 50.6	\$ 37.0	\$ 38.6	4.4%
TOTAL EXPENSES	\$ 39.0	61.8	51.5	49.5	-3.9%
ANNUAL SURPLUS (DEFICIT)	\$ (5.3)	\$ (11.2)	\$ (14.5)	\$ (10.8)	-25.2%

DETAIL

	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised Budget	FY 2016 Budget	\$ CHANGE FY 16 to FY 15 Rev Budget
REVENUES					
Passenger Fares	\$ 1,454,751	\$ 1,515,377	\$ 1,515,377	\$ 1,542,909	\$ 27,532
Contract Service Revenue	3,061,389	3,259,635	3,259,635	3,263,687	\$ 4,052
Subtotal Operating Revenue	4,516,140	4,775,012	4,775,012	4,806,596	31,584
Sales Tax Revenue	21,367,086	21,347,080	22,180,196	23,067,404	887,208
Net Investment Income / (Expenses)	21,100	33,000	33,000	20,000	(13,000)
Debt Issuance	-	5,500,000	-	-	-
Non-Operating Revenues	81,520	6,300	6,300	1,500	(4,800)
Federal Grants & Reimbursements	7,025,190	16,617,500	7,592,667	10,753,357	3,160,690
State Grants & Reimbursements	648,939	2,358,300	2,415,963	-	(2,415,963)
Subtotal Non-Operating Income	29,143,835	45,862,180	32,228,126	33,842,261	1,614,135
TOTAL REVENUES	\$ 33,659,975	\$ 50,637,192	\$ 37,003,138	\$ 38,648,857	\$ 1,645,719
EXPENSES					
Salaries, Wages & Fringe Benefits	\$ 7,658,569	\$ 9,173,858	\$ 9,119,996	\$ 9,394,250	274,254
Services	1,937,443	2,189,251	2,160,535	2,424,784	264,249
Materials & Supplies	2,891,739	4,160,775	3,916,524	3,783,284	(133,240)
Utilities	416,818	452,149	452,149	511,361	59,212
Insurance, Casualties & Losses	775,987	778,016	778,016	800,215	22,199
Purchased Transportation Services	9,632,780	9,853,076	9,963,587	11,633,624	1,670,037
Miscellaneous	123,605	245,475	255,475	281,347	25,872
Leases & Rentals	352,479	207,204	207,204	216,183	8,979
Depreciation	8,875,337	9,503,440	9,503,440	9,981,205	477,765
Subtotal Operating Expenses	32,664,757	36,563,244	36,356,926	39,026,253	2,669,327
Long-Term Debt Interest / Expense	1,451,364	2,721,899	2,721,899	1,156,422	(1,565,477)
Non-Operating Expenses	-	-	-	-	-
Subtotal Non-Operating Expenses	1,451,364	2,721,899	2,721,899	1,156,422	(1,565,477)
TOTAL EXPENSES	\$ 34,116,121	\$ 39,285,143	\$ 39,078,825	\$ 40,182,675	\$ 1,103,850
<i>Transfer to Capital Projects</i>	<i>4,877,955</i>	<i>22,516,242</i>	<i>12,376,375</i>	<i>9,271,359</i>	<i>(3,105,016)</i>
ANNUAL SURPLUS (DEFICIT)	\$ (5,334,101)	\$(11,164,193)	\$ (14,452,062)	\$ (10,805,177)	\$ 3,646,885

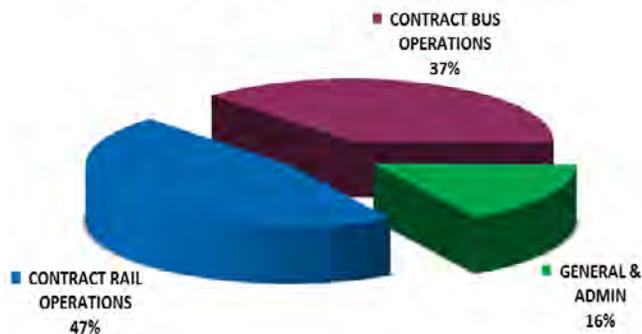
Revenue and Expenditure Charts



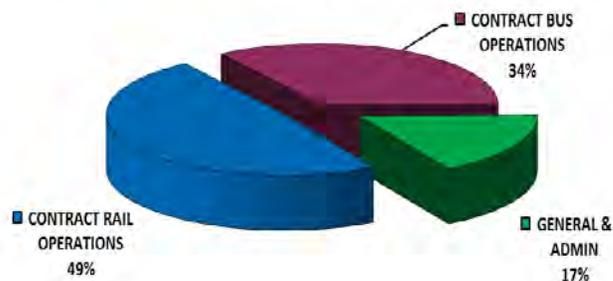
Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised Budget	FY 2016 Budget
GENERAL AND ADMINISTRATIVE				
President	\$ 1,508,502	\$ 1,083,008	\$ 1,051,114	\$ 920,656
Finance	868,508	1,067,669	1,079,965	1,248,548
Board of Directors	7,872	34,136	34,136	34,136
Communications and Marketing	578,881	796,535	839,501	1,028,782
Transit Operations	384,218	960,419	1,014,916	1,196,784
Planning	242,432	176,876	192,425	283,628
Human Resources	102,886	170,445	164,510	183,224
TOTAL GENERAL & ADMIN	\$ 3,693,300	\$ 4,289,088	\$ 4,376,567	\$ 4,895,758
RAIL SERVICES (THIRD PARTY CONTRACT)				
Rail Services	\$ 12,097,436	\$ 12,746,538	\$ 12,452,741	\$ 14,209,448
TOTAL RAIL SERVICES	\$ 12,097,436	\$ 12,746,538	\$ 12,452,741	\$ 14,209,448
BUS SERVICES (THIRD PARTY CONTRACT)				
Administration	\$ 747,880	\$ 859,266	\$ 859,266	\$ 928,966
Connect Service	2,073,305	2,848,250	2,848,250	2,591,474
UNT Service	1,918,645	2,185,319	2,185,319	2,178,858
Access Service	722,116	785,127	785,127	800,344
Maintenance	1,270,914	1,797,783	1,797,783	1,727,054
Supervisors & Dispatch	738,345	922,308	922,308	932,821
NCTC Service	62,320	140,717	140,717	181,030
Customer Service (DDTC)	465,159	485,408	485,408	599,295
TOTAL BUS SERVICES	\$ 7,998,683	\$ 10,024,178	\$ 10,024,178	\$ 9,939,842
<i>Total Depreciation</i>	<i>\$ 8,875,337</i>	<i>\$ 9,503,440</i>	<i>\$ 9,503,440</i>	<i>\$ 9,981,205</i>
TOTAL OPERATING EXPENSES	\$ 32,664,756	\$ 36,563,244	\$ 36,356,926	\$ 39,026,253

Fiscal Year 2015 Operating Expense by Division

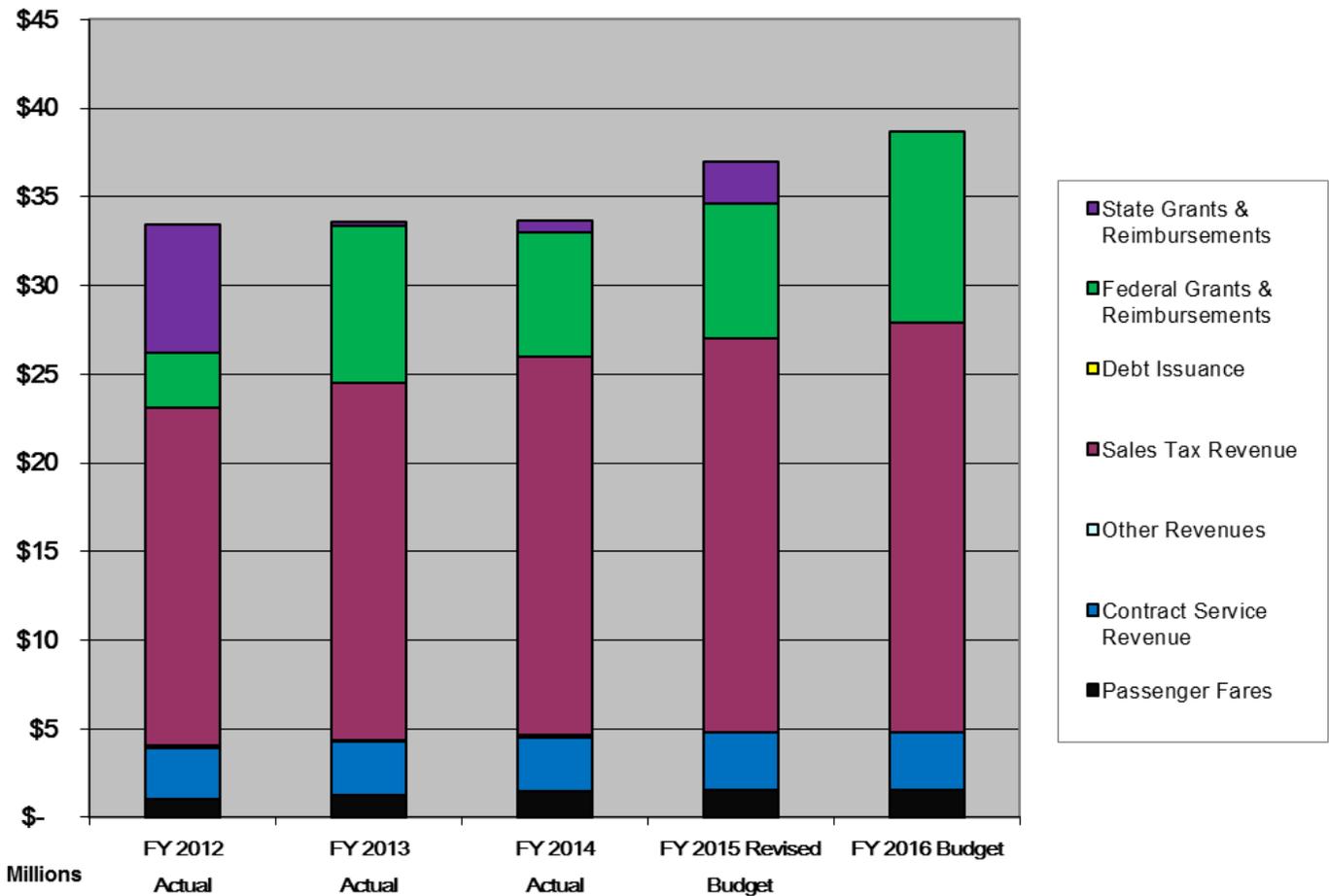


Fiscal Year 2016 Operating Expense by Division



Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Revised Budget	FY 2016 Budget
Passenger Fares	\$ 1,015,814	\$ 1,265,685	\$ 1,454,751	\$ 1,515,377	\$ 1,542,909
Contract Service Revenue	2,927,341	2,980,804	3,061,389	3,259,635	3,263,687
Other Revenues	-	-	-	-	-
Sales Tax Revenue	19,009,136	20,209,051	21,367,086	22,180,196	23,067,404
Net Investment Income	53,927	32,137	21,100	33,000	20,000
Debt Issuance	-	-	-	-	-
Non-Operating Revenues	90,301	52,222	81,520	6,300	1,500
Federal Grants & Reimbursements	3,095,510	8,859,377	7,025,190	7,592,667	10,753,357
State Grants & Reimbursements	7,214,635	163,710	648,939	2,415,963	-
TOTAL REVENUES	\$ 33,406,664	\$ 33,562,986	\$ 33,659,975	\$ 37,003,138	\$ 38,648,857



REVENUE

Department specific revenue budgets, such as Passenger Revenue are the responsibility of the particular department since the staff in the respective departments 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 within the national, state, and local economy. DCTA sales tax rate is one half 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.

OPERATING REVENUE:

PASSENGER FARE REVENUE

Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. Total fare revenue is projected at \$28k or 2% increase over the FY 2015 revised budget. This increase is based on current ridership trends for rail and Connect service with a projected 2% increase for FY16.

CONTRACT SERVICE REVENUE

Contract service revenue consists of revenue or income related to providing transit services to UNT and NCTC on a contract basis. The 2016 budget remains consistent with the 2015 revised budget, with an increase of only \$4k.

NON-OPERATING REVENUE:

SALES TAX REVENUE

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2016 budget year is a 4% increase over the revised budget for FY15.

NET INVESTMENT INCOME

Net investment income represents DCTA earnings from investments net of interest expense. In FY 2016 due to market conditions, DCTA is anticipating a conservative return on investment.

FEDERAL GRANTS & REIMBURSEMENTS

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2016, DCTA anticipates \$4.6 million in operating grants. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, vanpool program, and

Budget Assumptions cont.

travel training. DCTA anticipates \$6.1 million in capital grants, which reflects a significant increase of \$3.2 million over the FY 2015 revised budget. This increase is mainly attributable to the total \$12.5M the agency was awarded from the North Central Texas Council of Governments (NCTCOG) for the Positive Train Control capital project, of which \$2M is anticipated to be drawn down in 2016. Additional federal grants will be used to fund bus fleet replacement (\$2.4M), passenger information projects, IT software applications as well as a crew facility at the Trinity Mills station platform projected for FY16.

STATE GRANTS & REIMBURSEMENTS

State grant revenue includes funds from the Texas Department of Transportation (TxDOT) STEP grants. The agency received these toward the Lewisville Hike and Bike Trail capital project as well as the Community Enhancement project, both of which were completed in FY15.

OPERATING EXPENSES

The Operating Expense Budget includes costs related to the day-to-day operations of DCTA at current 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 awarded a seven (7) year management services contract for bus operations on October 1, 2014 to First Transit, Inc. to provide a General Manager (GM) and an Assistant General Manager (AGM) and support to manage and oversee the bus operations and related support functions. First Transit, Inc. through its wholly owned subsidiary, Transit Management of Denton County (TMDC) provides the bus operations support for DCTA. DCTA approves the budget and provides contract management, accounting, procurement and monitors the required controls over expenditures, for the cost of running the day-to-day operations. Under this type of management contract the expenses are reported in the regular expense categories of Salary and Wages, Services, Materials and Supplies, etc.

DCTA also entered into a rail operations contract directly with Herzog beginning in FY16. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for in the Purchased Transportation expense category.

SALARY, WAGES AND FRINGE BENEFITS

This expense category includes DCTA and TMDC payroll, employer taxes, employer insurance, and employer contributions to the 401(a). The FY 2016 budget reflects a 3% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) Addition of 2.5 FTE administrative support staff; (3) 10% increase in health benefits for DCTA; 15% increase for TMDC and (4) TMDC bus operator's salary increases based on the negotiated union contract.

Budget Assumptions cont.

In response to the goal of creating an organization that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. FY2010 marked a philosophical change in DCTA's approach to maintaining a competitive market position. A pay plan market adjustment was included in the 2010 budget with guidance by the Board to conduct a market review bi-annually. Based on a review of competitive market ranges, it served as a first step to begin adjustments needed to maintain a competitive position. A market study is conducted every two years with a goal to stay within mid-point of the market range. Funds are budgeted as needed to help maintain that position and the FY16 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$45k (DCTA staff). The agency plans to add a System Development Specialist, Senior Business Operations Manager (Bus), and a PT Community Relations Coordinator in FY16.

This budget incorporates an increase of 10% and 15% in health care benefits for DCTA and TMDC respectively based on the current plan design, which accounts for a \$200k increase compared to FY 2015 revised budget. This is based on analysis of employee health benefits and projections of anticipated increase in the cost of health care. Although health care increases have seen a slight leveling in recent years, higher increases in medical benefits are anticipated based on current claims history for the agency and the impact of the Affordable Care Act.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, includes an increase from \$15.36 to \$16.28/average per hour for bus operators. This average per hour increase is a result of the negotiated union contract. The budget also includes a cost of living increase and merit increase for the administrative staff of TMDC.

SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is higher than the FY 2015 revised budget by 11% due to the significant increase in facilities maintenance anticipated for FY16 of \$195k. This includes annual maintenance expenses for the bus and rail operations and maintenance facilities as well as landscaping services for all locations. There is also an increase of \$43k related to projected third-party maintenance required on aging fleet.

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2016 budget for this category is lower than 2015 revised budget by \$133 thousand (3.5%). This variance can be attributed to a decrease in fuel rate from \$4.00/gallon assumed in FY15 budget to \$3.25/gallon and \$3.50/gallon respectively for rail and bus operations. FY16 budget also includes a decrease in parts due to one-time purchases included in FY15 budget.

Budget Assumptions cont.

UTILITIES

This expense category includes gas, electric and communication expenses. The 2015 budget reflects an increase of \$60 thousand compared to the FY 2015 revised budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category budget item reflects an increase of \$22 thousand and is based on current insurance rates of the agency.

PURCHASED TRANSPORTATION SERVICES

This expense category includes all rail purchased transportation services provided under a 3rd party contract.

- This includes an Inter-Local Agreement for a contract with Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority ("The T") for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, excess rail liability insurance and emergency dispatch.
- DCTA entered into a contract with Herzog for rail operations and maintenance in FY16. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car miles. Rail purchased transportation increased 17% over FY15 revised budget due to the following factors:
 - Car Mile rate increased by .51 cents/mile since the Stadler rail vehicles are now out of warranty and the contractor will be responsible for all maintenance repairs
 - Positive Train Control (PTC) operating expenses are included in FY16
 - Anticipated increase in insurance expense
 - Right of Way Maintenance also increased due to contractor being responsible for all repairs
- Vanpool services are also included under purchased transportation. The agency is anticipating significant growth in the program. In FY16, the vehicle expense lease portion of the program will be funded 50% by the Vanpool riders and 50% by grants. Fuel expense will also be funded 50/50, however grant funds are no longer available for fuel so DCTA operating revenue will pay for a portion of the fuel cost with balance paid by the vanpool riders.

MISCELLANEOUS

This expense category includes travel and lodging, dues and memberships, seminars and conferences, staff training and development and other minor expenditures that do not fit into the categories above. There is an increase of \$26 thousand in FY16 due to increased training opportunities for operations staff included.

LEASES AND RENTALS

Leases and rental expense includes DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The 2016 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 FY 2010, DCTA refunded its existing 2008 debt and issued a Sales Tax Revenue Refunding; Series 2009 bond issue for \$20.9 million. In FY 2011, DCTA issued Sales Tax Contractual Obligations, Series 2011 for \$14.4 million. The FY 2016 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 47-49 for additional information.

NON-OPERATING (REVENUES) / EXPENSES

This category accounts for incidental expenses and/or revenues that are not generated through or directly related to the regular operating activities of DCTA. In FY 2016, DCTA is expecting \$1,500 for fare citation fines.

DEBT SCHEDULE

Sales Tax Revenue Refunding Bonds, Series 2009				
\$20,890,000				
<u>Date:</u>	December 17, 2009			
<u>Interest:</u>	Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.			
<u>Purpose:</u>	The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2008 dated June 24, 2008 and scheduled to mature on June 15, 2013. This allowed DCTA to remove restrictive bond covenants.			
<u>Security:</u>	The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.			
<u>Debt Service:</u>				
	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2010	\$ -	\$ 620,503	\$ 620,503
	2011	-	833,511	833,511
	2012	-	833,511	833,511
	2013	885,000	833,511	1,718,511
	2014	920,000	798,200	1,718,200
	2015	955,000	761,492	1,716,492
	2016	995,000	723,387	1,718,387
	2017	1,030,000	683,687	1,713,687
	2018	1,075,000	642,590	1,717,590
	2019	1,115,000	599,697	1,714,697
	2020	1,160,000	555,209	1,715,209
	2021	1,205,000	508,925	1,713,925
	2022	1,255,000	460,845	1,715,845
	2023	1,305,000	410,771	1,715,771
	2024	1,355,000	358,701	1,713,701
	2025	1,410,000	304,637	1,714,637
	2026	1,465,000	248,378	1,713,378
	2027	1,525,000	189,924	1,714,924
	2028	1,585,000	129,077	1,714,077
	2029	1,650,000	65,835	1,715,835
	Total	\$ 20,890,000	\$ 10,562,386	\$ 31,452,386

Sales Tax Contractual Obligations, Series 2011

\$14,390,000

Date: September 15, 2011

Interest: Semi-annual each March and September, commencing September 2011.
Interest accrues at a fixed rate of 3.13%.

Purpose: These Contractual Obligations are to fund transportation system improvements which will include the initial phase of the Positive Train Control project and a portion of DCTA's share of the new rail vehicles

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

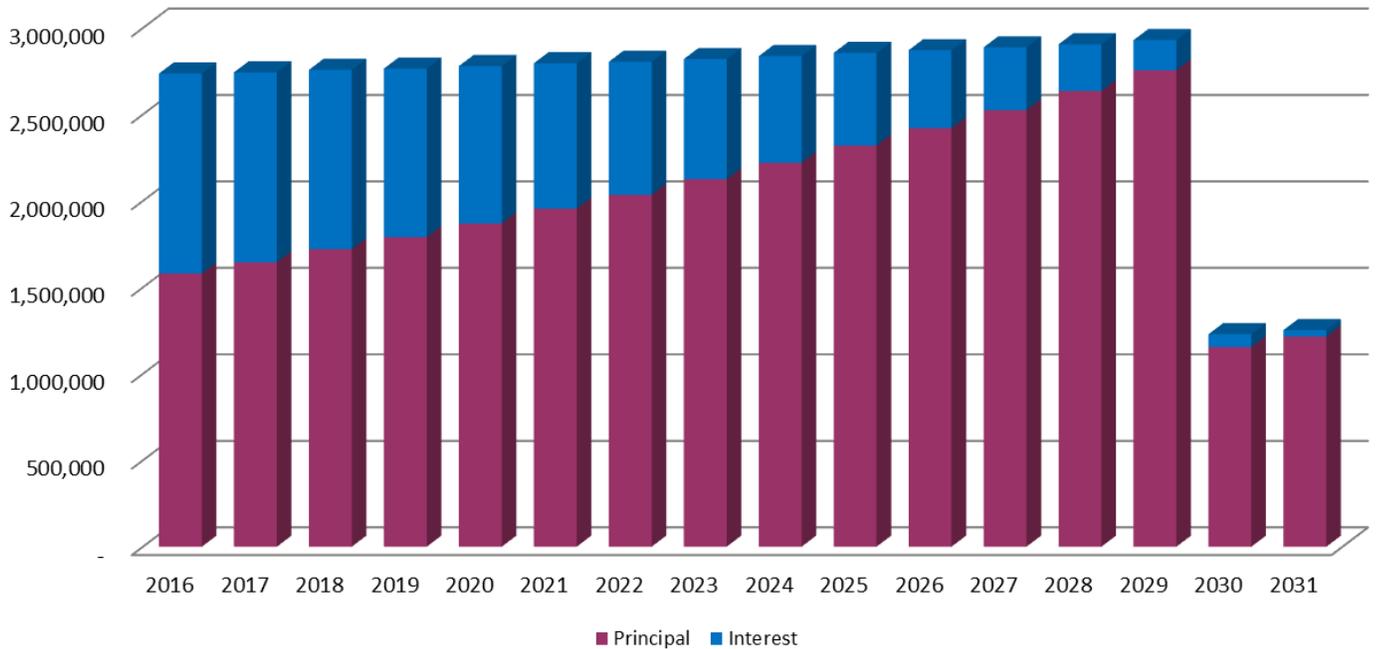
Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-	-	-
2012	-	450,408	450,408
2013	-	450,408	450,408
2014	-	450,408	450,408
2015	555,000	450,408	1,005,408
2016	585,000	433,036	1,018,036
2017	615,000	414,725	1,029,725
2018	645,000	395,476	1,040,476
2019	675,000	375,287	1,050,287
2020	710,000	354,160	1,064,160
2021	750,000	331,937	1,081,937
2022	780,000	308,462	1,088,462
2023	820,000	284,048	1,104,048
2024	865,000	258,382	1,123,382
2025	910,000	231,307	1,141,307
2026	955,000	202,824	1,157,824
2027	1,000,000	172,933	1,172,933
2028	1,050,000	141,633	1,191,633
2029	1,105,000	108,768	1,213,768
2030	1,155,000	74,182	1,229,182
2031	1,215,000	38,030	1,253,030
Total	\$ 14,390,000	\$ 5,926,822	\$ 20,316,822

Outstanding Debt Schedule as of 9/30/2015

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1,580,000	1,156,423	2,736,423
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,066	2,758,066
2019	1,790,000	974,984	2,764,984
2020	1,870,000	909,369	2,779,369
2021	1,955,000	840,862	2,795,862
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,819	2,819,819
2024	2,220,000	617,083	2,837,083
2025	2,320,000	535,944	2,855,944
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,857	2,887,857
2028	2,635,000	270,710	2,905,710
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,182	1,229,182
2031	1,215,000	38,030	1,253,030
Total	31,965,000	10,006,848	41,971,848

Outstanding Debt Service as of 9/30/2015



Full-Time Equivalent (FTE) Comparison

Division Summary	FY 2014	FY 2015	FY 2016	Variance
General & Administrative Division				
President Department				
<i>President</i>	1.00	1.00	1.00	-
<i>Executive Assistant</i>	1.00	1.00		(1.00)
<i>Intern (P-T x 2)</i>	1.00	1.00	1.00	-
Finance Department				
<i>Sr. VP Finance / Chief Financial Officer</i>	1.00	1.00	1.00	-
<i>Controller</i>	1.00	1.00	1.00	-
<i>Senior Accountant</i>	1.00	1.00	1.00	-
<i>Budget Manager</i>	1.00	1.00	1.00	-
<i>Accountant I</i>	1.00	1.00	1.00	-
<i>Senior Purchasing Manager</i>	1.00	1.00	1.00	-
<i>Procurement Coordinator</i>	-	1.00	1.00	-
<i>Data & Business Analyst</i>	-	1.00	1.00	-
Communications & Marketing Department				
<i>VP Marketing & Communications</i>	1.00	1.00	1.00	-
<i>Senior Marketing Specialist</i>	-	1.00	1.00	-
<i>Communications Specialist</i>	1.00	1.00	1.00	-
<i>Public Information Coordinator</i>	1.00	1.00	1.00	-
<i>Administrative Assistant</i>	1.00	1.00	1.00	-
<i>Board Assistant</i>	1.00	1.00	1.00	-
<i>Community Relations Assistant</i>	-	-	0.50	0.50
Transit Operations Department				
<i>Chief Operating Officer</i>	1.00	1.00	1.00	-
<i>Senior Transit Planner</i>	1.00	1.00	1.00	-
<i>IT Manager</i>	1.00	1.00	1.00	-
<i>Senior Project Manager</i>	1.00	1.00	1.00	-
<i>Construction Inspector</i>	0.75	0.75	0.75	-
<i>Senior Business Operations Manager</i>	-	-	1.00	1.00
Strategic Planning & Development Department				
<i>VP Planning & Development</i>	1.00	1.00	1.00	-
<i>System Development Specialist</i>	-	-	1.00	1.00
Human Resource & Grants Department				
<i>HR/Grants Program Manager</i>	1.00	1.00	1.00	-
Rail Operations Division				
Rail Development Department				
<i>AVP, Transit Operations</i>	1.00	1.00	1.00	-
<i>Operations Business Manager</i>	1.00	1.00	1.00	-
<i>Project Controls Coordinator</i>	1.00	1.00	1.00	-
Total DCTA FTE Staff	23.75	26.75	28.25	1.50
Third Party Contract Operations				
<i>Contracted Rail Services (HTSI)</i>	46.50	49.00	50.00	1.00
<i>Contracted Bus Services (TMDC)</i>	137.00	140.50	152.00	11.50
Total Third Party Contract Operations	192.00	189.50	202.00	12.50

DIVISION BUDGETS



DIVISION BUDGETS

General and Administrative Division Budgets

PRESIDENT

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The President's department administers Board support, records management, and coordinates legislative liaisons and General Counsel. The President 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.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
<u>PRESIDENT</u>					
Salary, Wages & Benefits	\$ 384,451	\$ 491,540	\$ 472,435	\$ 440,541	\$ 312,037
Services	436,380	573,733	356,009	346,009	353,009
Materials & Supplies	29,338	65,560	27,704	27,704	27,704
Utilities	13,570	12,888	44,513	44,513	38,400
Insurance & Casualties	-	-	-	-	-
Miscellaneous	64,077	53,073	113,706	89,570	81,530
Leases & Rentals	155,058	311,708	102,777	102,777	107,976
Depreciation	(614)	(1,778)	-	-	33,333
Total Operating Expense	\$ 1,082,260	\$ 1,506,724	\$ 1,117,144	\$ 1,051,114	\$ 953,989
Full-Time Equivalents	5.5	5.5	5.0	5.0	2.0

MATERIAL BUDGET ITEMS:

- Reduction in salaries & wages due to the transfer of 2 positions to the Marketing & Communications department and the reduction in FTE by 1 as the agency reorganized
- Pay plan adjustment of \$25 thousand included in 2016 budget

General and Administrative Division Budgets

President	
FY16 Objectives & Tasks / Performance Measures	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Seek opportunities for increased efficiency and reduced cost	
OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan• Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps	
OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Develop alternative delivery of demand responsive service• Work closely with the NCTCOG, Fort Worth T, and local communities to implement commuter bus service on the 35W Corridor	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Seek opportunities for increased efficiency and reduced cost	

General and Administrative Division Budgets

President	
FY15 Performance Measure Results/Status	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement	<ul style="list-style-type: none">Executed agreement to share rail insurance and various maintenance items
OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Work with region to encourage local participation of corridor planning of the key corridors identified in the Service PlanMeet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps	<ul style="list-style-type: none">Continued progress in The Colony & FriscoContinued progress in The Colony & Frisco
OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridorsWork closely with the NCTCOG, Fort Worth T, and local communities to implement commuter bus service on the 35W Corridor	<ul style="list-style-type: none">Legislation passed to reduce liability risk to Class I railroads with passenger serviceCompleted initial planning coordination
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement	<ul style="list-style-type: none">Completed initial planning coordination

General and Administrative Division Budgets

FINANCE

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

- Provide timely and accurate financial information to the departments and the Board
- Comply with State and Federal regulations regarding financial management, procurement, accounting, and control
- Surpass industry standards of financial management and reporting
- Be a resource for the President and Board on financial matters, economic issues, and operational performance
- Monitor and report DCTA's financial performance
- Recommend effective allocation of resources and safeguard assets

Departmental functions include responsibilities for the accounting and financial reporting functions, budget and long range financial planning, treasury and investing function, risk management, contracts, procurement human resources and grant compliance and reporting. The Human Resources budget is reported separately on pages 72-73.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
FINANCE					
Salary, Wages & Benefits	\$ 526,452	\$ 598,093	\$ 711,215	\$ 723,511	\$ 871,187
Services	204,520	244,585	314,230	314,230	335,775
Materials & Supplies	-	-	800	800	500
Utilities	-	-	-	-	-
Insurance & Casualties	9,035	11,271	11,309	11,309	11,626
Miscellaneous	6,444	14,560	30,115	30,115	29,460
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 746,450	\$ 868,508	\$ 1,067,669	\$ 1,079,965	\$ 1,248,548
Full-Time Equivalents	6.0	6.0	7.0	7.0	8.0

MATERIAL BUDGET ITEMS:

- Merit Pay of 3.5% included in 2016
- Additional FTE for a Data Analyst
- Increase in Professional Services
 - Cost allocation plan
 - Audit services
 - Insurance Broker

General and Administrative Division Budgets

Finance FY16 Objectives & Tasks / Performance Measures	
GOAL 1:	<i>Maximize service efficiency and reliability</i>
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements • Insure timely procurement of required maintenance goods and services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Insure active participation in procurement contracts for bus operating and rail operating services 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Platinum Award • Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync • Maintain well defined annual budget process that incorporates opportunity for public input 	
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact 	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • More frequent meetings to discuss and coordinate special projects, events or issues • Quarterly meetings with DART and The T on regional services issues 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG 	
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures • Pursue options for shared excess rail liability and other insurance coverages as appropriate for the agency 	

General and Administrative Division Budgets

Finance	
FY16 Objectives & Tasks / Performance Measures	
GOAL 6:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level <p>OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify sustainable options for service enhancements during schedule update and annual budget process 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Support Infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify funding methods and sources for capital needs outlined in long-range service plan Establish method for prioritization of projects that will be supported 	
GOAL 8:	<i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflects community priorities and values</i>
<p>OBJECTIVE: Establish and maintain high bond ratings</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations Complete an analysis of potential impact of I-35E construction to sales tax revenue and rideship <p>OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Adopt a 5-Year capital plan as part of the annual budget process Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements Establish process for annual risk assessment to manage and mitigate property / liability and other potential risk areas <p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Continue to evaluate results of sales tax audit Implement review of risk insurance coverage for DCTA operations Continue to develop full functionality of financial system with focus on reporting capabilities Insure proper grant management and timely reporting Implement COGNOS reporting software Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x Complete fare structure and revenue analysis for scheduled fare increases <p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies Achieve unqualified audit opinion and completion of annual audit within 6 months of year end Receive Government Finance Officers Assoc. Distinguished Budget Award for budget document and process Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting for comprehensive annual financial report Maintain compliance and accountability of P-card program Review and update process/procedures annually Implement routine, scheduled review of agency-wide cash management and cash handling processes 	

General and Administrative Division Budgets

Finance FY15 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements • Insure timely procurement of required maintenance goods and services 	<p>Results / Status:</p> <ul style="list-style-type: none"> • Multi-year bus procurement completed • Multi-year procurement tire, fluids, parts and other major maintenance items completed
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Insure active participation in procurement contracts for bus operating and rail operating services 	<p>Results / Status:</p> <ul style="list-style-type: none"> • On Going • Quarterly meetings held as scheduled • Completed
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	<p>Results / Status:</p> <ul style="list-style-type: none"> • Online auction - \$25,735 in proceeds for sale of vehicles no longer in service, misc office and computer items
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold Level • Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync • Maintain well defined annual budget process that incorporates opportunity for public input 	<p>Results / Status:</p> <ul style="list-style-type: none"> • Achieved TX Comptrollers Transparency Platinum Award (1 of only 2 transit agencies in Texas to achieve this level) • Fifty-five (55) procurements on BidSync • Complete; Finance Committee meetings held according to the Budget Calendar
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement 	<p>Results / Status:</p> <ul style="list-style-type: none"> • Complete • On Going • Completed ILA with DART for shared services-including TVM revenue collection & maintenance; excess rail liability insurance, reciprocal fare agreement
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact 	<p>Results / Status:</p> <ul style="list-style-type: none"> • Evaluated annually as part of the budget process. When new service opportunities are evaluated, analysis is done to include both capital and on-going operations costs in the context of long range financial model
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • More frequent meetings to discuss and coordinate special projects, events or issues • Quarterly meetings with DART and The T on regional services issues 	<p>Results / Status:</p> <ul style="list-style-type: none"> • On Going; Meet as needed but no standing meeting are in place with North TX regional partners • On Going

General and Administrative Division Budgets

Finance	
FY15 Performance Measure Results/Status	
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG • Develop plan to identify and secure funding, in conjunction with regional transit agencies, for safety initiatives 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Funding in place for current PTC project budget • U.S. DOT TIGER grant application submitted for East-West Express Bus Corridor and comprehensive bus service review. Awards will be announced Nov. 2015 • On Going; Regional fare & GoPass • In Process - Funding for Positive Train Control
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On Going
GOAL 6: <i>Tie the provision of transit to land-use and the resulting demand levels</i>	
OBJECTIVE: Existing services that significantly exceed standards should be augmented	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On Going
OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Identify sustainable options for service enhancements during schedule update and annual budget process 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On Going
GOAL 7: <i>Advocate sustainable development practices that support transit</i>	
OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Identify funding methods and sources for capital needs outlined in long-range service plan • Establish method for prioritization of projects that will be supported 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Working with Planning & Development staff to identify service level and associated capital requirements develop concepts for funding strategy • On Going
GOAL 8: <i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflect community priorities and values</i>	
OBJECTIVE: Establish and maintain high bond ratings	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations • Complete an analysis of potential impact of I-35E construction to sales tax revenue and ridership 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Has not been completed • Will conduct potential sales tax impact in FY16 as part of the Sales Tax Analysis review process. Will support Operations as needed for ridership impact analysis

General and Administrative Division Budgets

Finance			
FY15 Performance Measure Results/Status			
GOAL 8: <i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflect community priorities and values</i>			
<p>OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Adopt a 5-Year capital plan as part of the annual budget process • Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements </td> <td style="width: 50%; vertical-align: top;"> <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Adopted as part of FY16 Operating & Capital Budget. Capital budget project detail incorporates related on-going operating costs • Complete </td> </tr> </table>		<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Adopt a 5-Year capital plan as part of the annual budget process • Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Adopted as part of FY16 Operating & Capital Budget. Capital budget project detail incorporates related on-going operating costs • Complete
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Adopt a 5-Year capital plan as part of the annual budget process • Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Adopted as part of FY16 Operating & Capital Budget. Capital budget project detail incorporates related on-going operating costs • Complete 		
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Complete sales tax audit • Implement review of risk insurance coverage for DCTA operations • Continue to develop full functionality of new financial system with focus on reporting capabilities • Insure proper grant management and timely reporting • Monitor and insure timely reimbursement of all allowable grant expenditures • Establish and maintain reserves per adopted Financial Policies • Maintain internal debt coverage ratio at 1.25x </td> <td style="width: 50%; vertical-align: top;"> <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Contract awarded 9/2015. Review underway • Risk & Liability Insurance Broker contract awarded. Review of any additional DCTA exposure and coverage requirements will be completed in FY2016 • Upgrade of Sungard financial system underway. Testing to be complete in Q1 FY2016. • On Going • Complete • Complete • Complete </td> </tr> </table>		<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Complete sales tax audit • Implement review of risk insurance coverage for DCTA operations • Continue to develop full functionality of new financial system with focus on reporting capabilities • Insure proper grant management and timely reporting • Monitor and insure timely reimbursement of all allowable grant expenditures • Establish and maintain reserves per adopted Financial Policies • Maintain internal debt coverage ratio at 1.25x 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Contract awarded 9/2015. Review underway • Risk & Liability Insurance Broker contract awarded. Review of any additional DCTA exposure and coverage requirements will be completed in FY2016 • Upgrade of Sungard financial system underway. Testing to be complete in Q1 FY2016. • On Going • Complete • Complete • Complete
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Complete sales tax audit • Implement review of risk insurance coverage for DCTA operations • Continue to develop full functionality of new financial system with focus on reporting capabilities • Insure proper grant management and timely reporting • Monitor and insure timely reimbursement of all allowable grant expenditures • Establish and maintain reserves per adopted Financial Policies • Maintain internal debt coverage ratio at 1.25x 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Contract awarded 9/2015. Review underway • Risk & Liability Insurance Broker contract awarded. Review of any additional DCTA exposure and coverage requirements will be completed in FY2016 • Upgrade of Sungard financial system underway. Testing to be complete in Q1 FY2016. • On Going • Complete • Complete • Complete 		
<p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Manage grant and contract compliance in accordance with federal standards on federally funded projects • Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies • Achieve unqualified audit opinion and completion of annual audit within 6 months of year end • Receive Government Finance Officers Assoc. Distinguished Budget Award for budget document and process • Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Management • Maintain compliance and accountability of P-card program • Review and update process/procedures annually • Implement routine, scheduled review of agency-wide cash management and cash handling processes </td> <td style="width: 50%; vertical-align: top;"> <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • This is an on-going process, FTA Triennial Review and Enhanced Procurement Review completed in July 2015 with minimal corrective actions required. • Complete • Complete • Complete; Received GFOA Award for FY2015 • Complete; Received GFOA Certificate for FYE 9/30/2014 • Complete • On Going • Evaluation of fare structure and cash handling process including review of bus fare box cash collection procedures. Complete evaluation in FY2016 </td> </tr> </table>		<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Manage grant and contract compliance in accordance with federal standards on federally funded projects • Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies • Achieve unqualified audit opinion and completion of annual audit within 6 months of year end • Receive Government Finance Officers Assoc. Distinguished Budget Award for budget document and process • Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Management • Maintain compliance and accountability of P-card program • Review and update process/procedures annually • Implement routine, scheduled review of agency-wide cash management and cash handling processes 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • This is an on-going process, FTA Triennial Review and Enhanced Procurement Review completed in July 2015 with minimal corrective actions required. • Complete • Complete • Complete; Received GFOA Award for FY2015 • Complete; Received GFOA Certificate for FYE 9/30/2014 • Complete • On Going • Evaluation of fare structure and cash handling process including review of bus fare box cash collection procedures. Complete evaluation in FY2016
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General and Administrative Division Budgets

MARKETING AND COMMUNICATIONS

To provide critical external and internal communications support for staff, consultants, and the DCTA Board of Directors, to develop marketing strategies for all DCTA services, and to promote and enhance the organization's brand identity through effective marketing, communications, and public relations activities. Additionally, the communications and marketing department manages all media inquiries and public involvement activities related to major service changes and initiatives.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 261,461	\$ 333,407	\$ 294,113	\$ 231,821	\$ 511,280
Services	249,189	212,441	423,642	543,186	466,602
Materials & Supplies	25,711	23,742	59,400	45,114	28,000
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	19,115	9,292	19,380	19,380	22,900
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 555,477	\$ 578,881	\$ 796,535	\$ 839,501	\$ 1,028,782
Full-Time Equivalents	3.0	3.0	3.0	4.0	6.5

MATERIAL BUDGET ITEMS:

- Merit pay of 3.5% included
- Board Support and Administrative Assistant has been transferred into Communications & Marketing Dept. from the President's Dept. for FY16
- Addition of a Part-Time Community Relations Assistant in FY16

General and Administrative Division Budgets

Communications & Marketing FY16 Objectives & Tasks / Performance Measures

GOAL 1: Maximize service efficiency and reliability

OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards

Tasks / Performance Measure:

- Survey passengers to obtain feedback of service delivery satisfaction
- Actively promote GORrequest to encourage passenger feedback
- Proactively solicit passenger feedback at events and community gatherings

OBJECTIVE: Ensure routes are easy to understand

Tasks / Performance Measure:

- Revise the content and maps in the Go Guide to provide comprehensive information for passengers
- Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl)
- Continue to audit passenger signage and communications to enhance the rider experience

GOAL 2: Maximize the effectiveness of service for DCTA's ridership markets

OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas

Tasks / Performance Measure:

- Increase community outreach with planning staff to employment centers and high density residential service areas
- Hold bi-annual meetings to collect feedback regarding potential service modifications
- Continue to utilize GORrequest, online and mobile customer tool to collect additional feedback from passengers

GOAL 3: Increase the visibility and elevate the image of the Authority

OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority

Tasks / Performance Measure:

- Develop annual strategic marketing and communications plan with details, metrics and goals
- Execute brand study to drive marketing and communications efforts and initiatives
- Establish agency branding standards with development of style guide
- Execute targeted marketing and communication efforts to enhance brand awareness and drive ridership
- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
- Develop positive relationships with media personnel
- Expand existing Messaging Map for increased internal communications
- Implement innovative updates to enhance the customer experience and increase impressions in all digital forums (i.e. website, blog)
- Continue improving social media marketing efforts to better engage our passengers and followers and investigate methods to expand social media presence
- Continue applying for local and industry awards to further elevate the agency image to external audiences

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Revise the layout and content of the passenger newsletter
- Coordinate with Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Continue implementing elements of the Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team

General and Administrative Division Budgets

Communications & Marketing FY16 Objectives & Tasks / Performance Measures

GOAL 3: Increase the visibility and elevate the image of the Authority

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Provide updated information on the Authority's website and blog
- Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional and social media
- Provide regular communication with stakeholders
- Identify and coordinate presentation opportunities (rail safety, agency facts, etc.) with civic groups, schools and neighborhood associations

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Identify new community partnerships and untapped collaboration to increase the Authority's exposure throughout Denton County
- Discover innovative methods to expand DCTA's reach within the community
- Continue to maximize marketing partnerships and employer outreach
- Continue to maximize community events and individuals reached
- Develop and implement incremental revenue programs

GOAL 4: Expand DCTA's services into areas where transit has a likelihood of success

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with identifying and prospecting new communities where transit has a likelihood of success
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Support Planning Team with execution of the Comprehensive Operational Analysis

GOAL 5: Coordinate regional services with other regional transit providers

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Weekly meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
- Monthly meetings with customer service staff
- Monthly meetings with First Transit staff
- Quarterly, one-on-one meetings with staff to discuss performance, development and growth
- Regular meetings with TxDOT communications team during 35Express project

OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
- Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events
- Continue partnering with DART and the T on the development of a regional transit advertising program
- Collaborate with DART, the T and NCTOG on the development and execution of joint projects as necessary

OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas

Tasks / Performance Measure:

- Participate in regional events
- Target Denton County employers that have employees driving from outside of Denton County
- Promote ridesharing opportunities through use of DCTA's station parking lots
- Continue leveraging vendor marketing resources through partnership opportunities

General and Administrative Division Budgets

Communications & Marketing FY15 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service plan	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Survey passengers to obtain feedback of service delivery satisfaction 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Passenger Satisfaction Survey was conducted in April 2015 Recorded a 95% accuracy rate and confidence level of 3 based on the quantity received Increased passenger participation by 318.9% YOY Received proactive media placements in regards to survey results
OBJECTIVE: Ensure routes are easy to understand	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Continue to implement the Passenger Information Communication Architecture (revamp maps, at-stop signage and bus shelter vinyl) 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Innovative design changes have been implemented across the board for all passenger information C&M dept. brought on a new creative agency to assist in elevating passenger information as a whole
GOAL 2: <i>Maximize the effectiveness of service for DCTA's ridership markets</i>	
OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service area	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Increase community outreach with planning staff to employment centers and high density residential service areas Hold bi-annual meetings to collect feedback regarding potential service modifications Continue to utilize GoRequest, online and mobile customer tool to collect additional feedback from passengers 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Hired a new VP of Marketing and Communications to assist with outreach efforts Hired a senior marketing specialist to manage outreach and incremental revenue efforts Held public meetings in April and September 2015 to educate the community and receive feedback Staff maintained an average close rate of 2.97 days in GoRequest, which is 15% under the annual maximum (set by the annual goal) GoRequest entries have seen a steady incline due to additional marketing efforts, however, the influx in requests created an increase in overall complaints
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Develop yearly calendar of activities for annual marketing initiatives including A-train, Bus Service, Dump the Pump, Summer Youth Pass, etc. Targeted marketing and communication efforts will be focused around agency announcements, service changes, key events, etc. Maximize media exposure and increase earned media value in local and industry media outlets Establish agency branding standards with development of style guide Continue to implement internal communications efforts to create staff ambassadors who can effectively promote DCTA marketing efforts to external audiences 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> A strategic marketing and communications plan was developed in February 2015. Key FY '15 campaigns have supported the following initiatives: Continuation of I35 Construction campaign, launch of Where's My Ride, Passenger Satisfaction Survey, #BeMine Ride for Free Valentine's Day promotion, Summer Youth Pass, January and August service changes, and several other small geo-targeted campaign efforts. Placed 459 media stories, resulting in a 2% increase over the annual goal. Refined existing agency imagery and created a high-level brand standards to be adopted throughout all marketing and communications efforts. Established a method of tracking media impressions by medium, resulting in more than \$107MM impressions driven by media placements.

General and Administrative Division Budgets

Communications & Marketing FY15 Performance Measure Results/Status

GOAL 3: *Increase the visibility and elevate the image of the Authority*

- Continue improving social media marketing efforts to better engage our passengers and followers
- Drove more than \$1.2MM in publicity value through proactive and reactive media relations efforts.
- Continue to implement the DCTA monthly internal messaging map to establish clear and concise internal communications. Established a new monthly PowerPoint staff meeting presentation to more effectively communicate pertinent information from each department at monthly staff meeting. Have launched the research phase for a comprehensive monthly employee newsletters slated to launch in January 2016.
- Engagement with passengers and community members has increased on DCTA's social media channels - Facebook: Up 1,727 likes YOY (36.1560% increase); Twitter: Up 960 followers YOY (38.8821% increase). Additionally, staff is actively engaging users via other social media platforms such as YouTube, LinkedIn, etc.
- Plans have been outlined to create more robust social media content and expand existing social media platforms.
- A total of nine local and industry award programs were reviewed and entries were submitted. Two entries have won in both international and industry categories. One APTA Grand Prize was awarded at the national conference. Staff continues to research relevant award programs for successful submission of entries.
- Continue applying for local and industry awards to further elevate the agency image to external audiences

OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services

Tasks / Performance Measure:

- Coordinate with Planning and Operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
- Continue implementing elements of the Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information)
- Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team
- Coordinate with Operations to implement new SMS text and email travel alert system
- Coordinate and execute promotional launch of Where's My Ride to external audiences

Results / Status:

- Successfully implemented service changes, with updates to the website and new Go Guides, in January and August 2015. Plans to enhance the January 2016 Go Guide are under way.
- Passenger materials and comprehensive communications were delivered more than two weeks prior to schedule changes.
- Continue to work toward enhanced passenger information. Created Public Information Coordinator position to elevate passenger information in all forms.
- Conducted a Passenger Satisfaction Survey with statistically valid results, attended events and engaged the community in all member cities, and hosted quarterly CAT meetings to garner feedback.
- Extensive focus group beta testing of Where's My Ride-driven travel alerts (text and email) occurred in early 2015 to prepare for the launch of the integrated alert system in Q1 of FY '16.
- Campaign to support launch of Where's My Ride-driven travel alerts is slated for Q1 of FY '16.

OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities

Tasks / Performance Measure:

- Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan
- Actively engage and inform the public through a variety of formats including traditional and social media

Results / Status:

- Two public meetings, in each member city, are held each year (April and September).
- Public meetings are promoted through print advertisements in local papers, on the DCTA website, through Rider Alerts, press releases, in EnRoute News, seat drops, via social media, and at any relevant events prior to the meetings.
- Standard communications tools - such as print and online advertisements, the DCTA website, media releases, newsletters, social media, and other mediums - are used throughout all marketing/communications campaigns as well as to highlight specific events that would be of community interest.

General and Administrative Division Budgets

Communications & Marketing FY15 Performance Measure Results/Status

GOAL 3: *Increase the visibility and elevate the image of the Authority*

- | | |
|--|---|
| <ul style="list-style-type: none"> • Provide regular communication with stakeholders during capital project development and implementation • Identify and coordinate presentation opportunities (rail safety, agency facts, etc.) with civic groups, schools and neighborhood associations | <ul style="list-style-type: none"> • Schedule regular meetings held with member cities to provide updates on DCTA projects. <p>A total of 12 official speaking engagements have been executed, which is down in comparison to FY '14. The focus of FY '15 and all out years is to execute strategic speaking engagements that drive large impressions and to provide supportive materials (i.e. educational videos, collateral, promotional items, etc.) for those outreach opportunities that do not meet the department's strategic requirements for attendance.</p> |
|--|---|

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts

Tasks / Performance Measure:

- Continue to maximize marketing partnerships and employer outreach
- Continue to maximize community events and individuals reached
- Continue execution of marketing campaign focused on the congestion mitigation during I-35E construction project

Results / Status:

- Currently leveraging community partnerships to cross-promote when appropriate.
- Reached 91,014 individuals through community outreach efforts, which is down considerably YOY due to large event cancellations throughout FY '15.
- Marketing campaign efforts continued into FY '15, capitalizing on FY '14 campaign results that reported an 11.3% increase in A-train ridership.

OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities

Tasks / Performance Measure:

- Provide updated passenger information for all newly installed bus shelters located in Lewisville and Denton
- Develop new passenger information materials for at-stop information holders in Lewisville and Denton

Results / Status:

- New signage was provided and installed in conjunction with the January 2015 service changes.
- New passenger information was created and implemented with the January 2015 service changes. Regular updates of creative and information has been scheduled to occur with all future service changes (January/August).
- Continually researching and implementing innovative methods to communicate with passengers.

GOAL 4: *Expand DCTA's services into areas where transit has a likelihood of success*

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with identifying and prospecting new communities where transit has a likelihood of success
- Assist in cultivating and developing partnership opportunities of prospective new communities
- Support DCTA Board of Directors and Executive Staff with preparation of marketing collateral and presentations
- Support Planning Team with development and implementation of business district surveys

Results / Status:

- Continue to staying engaged through community relationships, discussions and partnerships.
- Provided marketing and communication support to planning staff as they initiate conversations with prospective cities and other partners. In the planning phase of expansion marketing campaigns to support planning and development initiatives.
- Currently provide the Board of Directors and executive staff with written and visual presentations, as well as provide assistance with special requests as needed.
- Developed "Shaping Our Future" brand and logo to assist with strategic planning and development initiatives.
- Continue to provide data collection support to the planning department as needed.

General and Administrative Division Budgets

**Communications & Marketing
FY15 Performance Measure Results/Status**

GOAL 5: *Coordinate regional services with other regional transit providers*

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Quarterly meetings with customer service staff

- Quarterly meetings with marketing & communications staff (additional meetings as needed to discuss special events, projects, and issues)

- Regular meetings with TxDOT communications team during 35Express project

Results / Status:

- Currently work with customer service leadership to provide pertinent passenger communications and establish standard operating procedures.
- Identified Public Information Coordinator position to act as a liaison between Marketing & Communications and Customer Service departments.
- Customer service audit is slated for Q1 of FY '16.
- Hold a weekly Marketing & Communications staff meeting to keep team abreast of new projects, discuss the status of projects and manage overall workload.
- Attend monthly 35Express meetings to stay abreast of construction status and special events.
- Attend community events hosted by 35Express to show support and assist in communications efforts.

OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries

Tasks / Performance Measure:

- Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events

- Continue partnering with DART and the T on the development of a regional transit advertising program

- Collaborate with DART, the T and NCTOG on the development and execution of the Veterans Transportation & Community Living Initiative (VTCLI)

- Collaborate with the Southwest Transit Association (SWTA) on the implementation and promotion of the Operation Veterans in Public Transportation (OVIPT)

Results / Status:

- Currently meet with regional marketing and communications representatives on a quarterly basis to discuss and coordinate regional initiatives.
- Met with DART to discuss a regional transit advertising program. Decided to explore our own program due to the addition of a senior marketing specialist on the Marketing & Communications team.
- Continued regional collaboration in support of veterans.

OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas

Tasks / Performance Measure:

- Participate in regional events

- Target Denton County employers that have employees driving from outside of Denton County

- Promote ridesharing opportunities through use of DCTA's station parking lots

- Continue leveraging vendor marketing resources through partnership opportunities

Results / Status:

- Attend quarterly Transit Coordination Meeting at NCTOG with DART and The T.
- Direct targeting via marketing and communications strategies has not been necessary due to the waitlist that currently exists for vanpool usage.
- Continually promote usage of station parking lots to existing vanpool participants.
- Foster successful relationship with Enterprise who excels at direct communication with existing vanpoolers as well as managing the waitlist. Enterprise utilizes their marketing materials as well as their staff time to manage and promote the program.

General and Administrative Division Budgets

PLANNING AND STRATEGIC DEVELOPMENT

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

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
STRATEGIC PLANNING & DEVELOPMENT					
Salary, Wages & Benefits	\$ 115,929	\$ 224,699	\$ 130,216	\$ 135,765	\$ 217,628
Services	35,524	5,489	28,000	38,000	46,100
Materials & Supplies	-	5,900	300	300	700
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	3,023	6,344	18,360	18,360	19,200
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 154,476	\$ 242,432	\$ 176,876	\$ 192,425	\$ 283,628
Full-Time Equivalents	1.75	3.75	1.00	1.00	2.00

MATERIAL BUDGET ITEMS:

- Increase in FTE for the addition of a System Development Specialist

General and Administrative Division Budgets

Long Range Planning & Development FY16 Objectives & Tasks / Performance Measures

GOAL 3: *Increase the visibility and elevate the image of the Authority*

OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and

Tasks / Performance Measure:

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and city officials

GOAL 4: *Expand DCTA's services into areas where transit has a likelihood of success*

OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners

Tasks / Performance Measure:

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities determine need, develop appropriate solutions and encourage participation.

GOAL 5: *Coordinate regional services with other regional transit providers*

OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities

Tasks / Performance Measure:

- Quarterly meetings with planning staff to discuss potential project partnerships

OBJECTIVE: Co-author grant applications with regional agencies and planning entities

Tasks / Performance Measure:

- Support regional initiatives with other transit agencies and NCTCOG

GOAL 7: *Advocate sustainable development practices that support transit*

OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria

Tasks / Performance Measure:

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design.

OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train, future rail or express bus stations

Tasks / Performance Measure:

- Provide technical assistance to local and regional officials

OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider

Tasks / Performance Measure:

- Monitor new development activity in member cities and provide feedback

OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors

Tasks / Performance Measure:

- Provide technical assistance to developers as well as local and regional officials

OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs

Tasks / Performance Measure:

- Monitor projects along the corridor. Support public and private development by serving as a technical resource for the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans

General and Administrative Division Budgets

Planning & Service Development FY15 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
<p>OBJECTIVE: Operate consistent headways whenever possible Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas Assign vehicles by service type</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Improve overall service delivery with each planned schedule update • Continue to improve connectivity between Connect bus and A-train 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Ongoing • Ongoing 	
GOAL 2: <i>Maximize the effectiveness of service for DCTA's ridership markets</i>	
<p>OBJECTIVE: Minimize service overlap/duplications</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Effectively implement planned services while maximizing connectivity opportunities and eliminating service redundancy 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Ongoing 	
<p>OBJECTIVE: (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions (2) Transfers should be convenient and fast between routes (3) Operate routes directionally, minimizing the amount of off-directional travel (4) Implement strategies to speed transit service, particularly along congested corridors</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Successfully implement with schedule revisions in August and January 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Complete 	
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Identify new employment centers and high density residential service areas • Assist Marketing & Communications with bi-annual meetings to collect feedback regarding potential service modifications • Continue to utilize data from GOREquest, online and mobile customer tool to collect additional feedback from passengers 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Ongoing • Complete • Complete 	
GOAL 3: <i>Increase the visibility and elevate the Image of the Authority</i>	
<p>OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Utilize internal Where's My Ride data to continue recommending key bus shelter locations in Lewisville and Denton for installation as funding allows • Utilize internal Where's My Ride data to recommend key bus stop locations for at-stop information holders in Lewisville and Denton 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Ongoing • Ongoing 	
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
<p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners</p> <p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies • Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan • Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps • Assist with identifying and prospecting new communities where transit has a likelihood of success • Assist with development and implementation of business district surveys for prospective communities 	
<p>Results / Status:</p> <ul style="list-style-type: none"> • Meetings have been held throughout the year with local and state elected officials to discuss legislative issues and strategies. • Regular meetings with regional partners and briefings with local communities. • Monthly meetings with the board and briefings with local communities. • Regular meetings have been held with city staff to discuss new developments and any transit needs foreseen. • Work closely with city staff and developers to obtain market analysis data. 	

General and Administrative Division Budgets

Planning & Service Development FY15 Performance Measure Results/Status	
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently available	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors • Partner with DART and The T to advance the Cotton Belt / TexRail • Promote the commuter vanpool program in areas that are currently not served 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Legislation introduced and passed. • Will continue to be an ongoing effort of the agency. • Currently at max capacity.
OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Review proposed schedules for timely connections with other service • Coordinate with Operations to ensure proper resources for new services are financially feasible • Assist in identifying proper sustainable funding sources to adequately fund new services • Set performance goals for new services and monitor the service to ensure it is meeting performance standards 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Modifications were implemented in January 2015 and August 2015 to further improve timely connection opportunities. • New services are fully vetted prior to implementation. • Developing a Funding Strategy to strategically seek and apply for funding opportunities; Identified and submitted a TIGER application for funding. • Performance goals have been set and monitoring will continue to be an ongoing effort of the agency.
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Quarterly meetings with planning staff (additional meetings as needed to discuss special events, projects and issues) 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Completed and will be an ongoing effort of the agency.
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Pursue joint funding for Positive Train Control (PTC) • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG 	<u>Results / Status:</u> <ul style="list-style-type: none"> • \$12,500,000 has been awarded by RTC • Will continue to be an ongoing effort of the agency. • Provided Letters of Support for multiple NCTCOG grant applications regarding regional initiatives; Will continue to be an ongoing effort of the agency.
GOAL 7: <i>Advocate sustainable development practices that support transit</i>	
OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Participate in city and regional planning initiatives • Provide examples of best practices to DCTA's member cities that encourage pedestrian and transit accessibility • Offer speaking and presentation opportunities on sustainable development and transit supportive design 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Participated in Comprehensive Master Planning process for the City of Denton, UNT and TWU while staying engaged in member city planning processes and TOD planning projects. • Working closely with member city planning and community development staff to provide assistance during their project and development planning processes. • Will continue to be an ongoing effort of the agency.
OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train and future rail or express bus stations	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Provide technical assistance to local and regional officials 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Partnering with member cities to ensure success of TOD projects.

General and Administrative Division Budgets

Planning & Service Development FY15 Performance Measure Results/Status	
GOAL 7: <i>Advocate sustainable development practices that support transit</i>	
OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Monitor new development activity in member cities and provide feedback 	<u>Results / Status:</u> <ul style="list-style-type: none"> Meeting with member city staff to stay engaged with city economic development, community development activities.
OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide technical assistance to development of professionals to encourage transit supportive development 	<u>Results / Status:</u> <ul style="list-style-type: none"> Staying engaged in city development projects and offering assistance when appropriate.
OBJECTIVE: Encourage the establishment of local policies requiring new transit-dependent land uses, such as social service offices and community colleges, should be located on transit routes	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-dependent land uses 	<u>Results / Status:</u> <ul style="list-style-type: none"> Staying engaged in county development projects and offering assistance when appropriate.
OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Monitor projects along the corridor. Support public and private development by serving as a technical resource on the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans 	<u>Results / Status:</u> <ul style="list-style-type: none"> Staying engaged in development projects along the corridor and offering assistance when appropriate.
GOAL 8: <i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>	
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies 	<u>Results / Status:</u> <ul style="list-style-type: none"> Will continue to manage grant and contract compliance. Will continue to be an ongoing effort of the agency.

General and Administrative Division Budgets

HUMAN RESOURCES

To manage and direct the Authority's human resource and personnel functions. The department administers programs in recruiting, compensation, employee relations and communications, performance appraisal systems, and safety and training programs. Other key functions include the development and administration of the employee benefit programs and maintenance of all official personnel records and related record keeping. The HR department also ensures all programs comply with applicable local, state, and federal legal requirement and is responsible for grant reporting to appropriate granting agencies.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
<u>HUMAN RESOURCE & GRANTS</u>					
Salary, Wages & Benefits	\$ 82,377	\$ 86,676	\$ 89,809	\$ 83,874	\$ 95,764
Services	26,368	6,632	63,700	63,700	66,300
Materials & Supplies	31	-	-	-	-
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	2,271	9,577	16,936	16,936	21,160
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 111,047	\$ 102,886	\$ 170,445	\$ 164,510	\$ 183,224
Full-Time Equivalents	1.0	1.0	1.0	1.0	1.0

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%

General and Administrative Division Budgets

Human Resources	
FY15 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	

Human Resources			
FY15 Performance Measure Results/Status			
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>		
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity </td> <td style="width: 50%; vertical-align: top;"> <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Complete; All job opportunities for external hires, for both DCTA vacancies and DCTA contract operators, are posted on DCTA website. Vacancies for 4 full-time and 2 Part-time positions were recruited and filled in FY15. • Complete; Two (2) intern positions established in the annual budget. Recruitment focused on graduate and under-graduate students. • On Going; Contract awarded for Bi-annual Compensation & Salary study. Job Description analysis and Benchmarking completed in 9/2015. Final report and recommendations due 11/2015. • On Going; Feedback from Unity Committee survey continues to be addressed and status reported at monthly employee staff meeting. • Complete; Tuition Reimbursement Policy completed. Wellness Committee is now well established as part of the DCTA employee culture and continues to champion successful wellness initiatives. </td> </tr> </table>		<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Complete; All job opportunities for external hires, for both DCTA vacancies and DCTA contract operators, are posted on DCTA website. Vacancies for 4 full-time and 2 Part-time positions were recruited and filled in FY15. • Complete; Two (2) intern positions established in the annual budget. Recruitment focused on graduate and under-graduate students. • On Going; Contract awarded for Bi-annual Compensation & Salary study. Job Description analysis and Benchmarking completed in 9/2015. Final report and recommendations due 11/2015. • On Going; Feedback from Unity Committee survey continues to be addressed and status reported at monthly employee staff meeting. • Complete; Tuition Reimbursement Policy completed. Wellness Committee is now well established as part of the DCTA employee culture and continues to champion successful wellness initiatives.
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Complete; All job opportunities for external hires, for both DCTA vacancies and DCTA contract operators, are posted on DCTA website. Vacancies for 4 full-time and 2 Part-time positions were recruited and filled in FY15. • Complete; Two (2) intern positions established in the annual budget. Recruitment focused on graduate and under-graduate students. • On Going; Contract awarded for Bi-annual Compensation & Salary study. Job Description analysis and Benchmarking completed in 9/2015. Final report and recommendations due 11/2015. • On Going; Feedback from Unity Committee survey continues to be addressed and status reported at monthly employee staff meeting. • Complete; Tuition Reimbursement Policy completed. Wellness Committee is now well established as part of the DCTA employee culture and continues to champion successful wellness initiatives. 		

General and Administrative Division Budgets

TRANSIT OPERATIONS - ADMIN

The Transit Operations department provides management and oversight efforts of the regional rail component, the A-train as well as the bus services component. In previous years, this division was separated into a Bus Admin and Rail Admin component but has now been combined.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
TRANSIT OPERATIONS - ADMIN					
Salary, Wages & Benefits	\$ 204,468	\$ 132,256	\$ 499,301	\$ 522,848	\$ 635,602
Services	\$ 145,775	\$ 236,338	311,448	139,488	144,688
Materials & Supplies	\$ 91	\$ 5,579	128,660	172,395	182,796
Utilities	\$ -	\$ -	15,840	15,840	15,840
Insurance & Casualties	\$ -	\$ -	-	-	-
Purchased Transportation Services	\$ -	\$ -	-	159,175	206,550
Miscellaneous	\$ 23,994	\$ 10,045	5,170	5,170	11,308
Leases & Rentals	\$ -	\$ -	-	-	-
Depreciation	\$ -	\$ -	-	-	-
Total Operating Expense	\$ 374,328	\$ 384,218	\$ 960,419	\$ 1,014,916	\$ 1,196,784

Full-Time Equivalents	2.0	1.0	4.75	4.75	5.75
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MATERIAL BUDGET ITEMS:

- FTE has been increased due to the addition of a Senior Business Operations Manager in FY16
- Vanpool expenses were reallocated in FY15 from Service category to Materials & Supplies and Purchased Transportation. FY16 also assumes an increase in vanpools per month.
- Merit increase of 3.5% included in FY16

General and Administrative Division Budgets

Transit Operations FY16 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • No more than 2 accidents per 100,000 miles for DCTA Bus Operations • Maintain zero FRA reportable worker injuries • Maintain rail vehicle up-time at 90% • 100% of preventative maintenance performed on-time • Ensure timely vehicle procurements consistent with all operating and funding requirements 	
<p>OBJECTIVE: Operate on-schedule within adopted on-time performance standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 90% on-time performance for bus services • 97% on-time performance for rail services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Increase Access passengers per hour to 2.00 • Increase system ridership by 2% • Decrease cost per passenger system wide 	
<p>OBJECTIVE: Minimize non-revenue hours operated on all services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Revenue Service Hours to Total Hours Ratio (+85%) 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
<p>OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productive tools are reliable, cost effective and secure</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agencies information and technology • Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Improve the Denton and Lewisville Connect system through evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	
<p>OBJECTIVE: Ensure routes are easy to understand</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide 100 separate travel training sessions • Effectively train 30 individuals to take trips on Connect and the A-train 	
<p>OBJECTIVE: (1) Ensure bi-directional service route service provides an equivalent alternative to for travel in both directions (2) Transfers should be convenient and fast between routes (4) Implement strategies to speed transit service, particularly along congested corridors (5) Ensure adequate vehicle capacity to maintain passenger loads</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Successfully implement with schedule revisions in August and January 	

General and Administrative Division Budgets

Transit Operations FY16 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity <p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Participate in regional commuter rail & bus initiatives that support regional mobility and growth • Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	
GOAL 4:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action</p> <p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	
GOAL 5:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria</p> <p>OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services support operational business needs.</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue the development of positive relationships with member city staffs in order to promote transit supportive development • Identify, plan and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs • Implement a passenger amenities program that supports expansion and maintenance of passengers amenities where ridership demand support the need for shelters, benches, crew rooms and other passenger amenities • Work with planning and finance to explore transit service expansion and transit oriented development opportunities 	
GOAL 6:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand 	

General and Administrative Division Budgets

Transit Operations FY15 Performance Measure Results/Status	
GOAL 1: Maximize service efficiency and reliability	
OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pull-out requirements for DCTA	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> No more than 2 accidents per 100,000 miles for DCTA Bus Operations Maintain zero FRA reportable worker injuries Maintain rail vehicle up-time at 90% 100% of preventative maintenance performed on-time Ensure timely vehicle procurements consistent with all operating and funding requirements 	<p>Results / Status:</p> <ul style="list-style-type: none"> 2.23. Not achieved. Retraining efforts are in place to reduce accidents. Achieved Achieved Achieved This item was delayed 2 months, but ultimately achieved
OBJECTIVE: Operate on-schedule within adopted on-time performance standards	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> 95% on-time performance for bus services 99% on-time performance for rail services 	<p>Results / Status:</p> <ul style="list-style-type: none"> 91.27% OTP. Not achieved. Construction and traffic limited our on-time performance goals. We expect to experience similar issues in FY16 Achieved
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Increase Access passengers per hour to 2.25 Increase system ridership by 3% Decrease cost per passenger system wide by 3% 	<p>Results / Status:</p> <ul style="list-style-type: none"> 1.84. Not achieved. Ridership has continued to decline. New service options are being evaluated Achieved. System-wide, boardings increased by almost 5.6% Achieved. Cost/boarding system-wide decreased by 5%
OBJECTIVE: Minimize non-revenue hours operated on all services	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Revenue Service Hours to Total Hours Ratio (+85%) 	<p>Results / Status:</p> <ul style="list-style-type: none"> Achieved, 90%
OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	<p>Results / Status:</p> <ul style="list-style-type: none"> Achieved.
OBJECTIVE: (1) Operate consistent headways whenever possible (2) Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas (3) Assign vehicles by service type	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Achieve average headway of 35 minutes in Lewisville and 40 minutes in Denton Improve overall service delivery with each planned schedule update 	<p>Results / Status:</p> <ul style="list-style-type: none"> Not achieved, a comprehensive service analysis is underway system wide Continue to work towards goal
GOAL 2: Maximize the effectiveness of service for DCTA's ridership markets	
OBJECTIVE: Minimize service overlap/duplications	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Evaluate UNT/Connect campus routes and identify areas to leverage the two services Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	<p>Results / Status:</p> <ul style="list-style-type: none"> Ongoing Ongoing
OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Evaluate as part of the FY 2015 the bus system planning study 	<p>Results / Status:</p> <ul style="list-style-type: none"> A comprehensive service analysis is underway
OBJECTIVE: Ensure routes are easy to understand	
<p>Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Provide 100 separate travel training sessions Effectively train 30 individuals to take trips on Connect and the A-train 	<p>Results / Status:</p> <ul style="list-style-type: none"> Achieved Achieved

General and Administrative Division Budgets

Transit Operations FY15 Performance Measure Results/Status	
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit network • Number of GoRequest interactions and average response time. Goal of closure within seven days • Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call • Coordinate with regional customer service staff to ensure seamless connectivity • Evaluate call center infrastructure and staffing levels 	<ul style="list-style-type: none"> • Achieved • Achieved • Achieved • Achieved • Achieved
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Review all service expansions and proposals to ensure adherence to System Performance and Design Standards. 	<ul style="list-style-type: none"> • Ongoing
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with planning staff 	<ul style="list-style-type: none"> • Achieved • Achieved
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Pursue joint funding for positive train control 	<ul style="list-style-type: none"> • Funding for PTC is within current budget and financial plan allocations
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Work with regional partners to explore service opportunities along corridors of interest to DCTA • Participate in regional commuter rail operations and maintenance procurement 	<ul style="list-style-type: none"> • Ongoing • A short term interlocal agreement has been agreed to with DART, The T and DCTA with ongoing discussions regarding additional opportunities to share O&M services and expenses.
GOAL 6: <i>Tie the provision of transit to land-use and the resulting demand levels</i>	
OBJECTIVE: Existing services that significantly exceed standards should be augmented	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Evaluate as part of the FY 2015 bus system planning study. 	<ul style="list-style-type: none"> • Ongoing
OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Identify affordable options for service enhancements during schedule updates. 	<ul style="list-style-type: none"> • Ongoing

General and Administrative Division Budgets

Transit Operations FY15 Performance Measure Results/Status	
GOAL 7: <i>Advocate sustainable development practices that support transit</i>	
OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Continue the development of positive relationships with member city staffs in order to promote transit supportive development	<ul style="list-style-type: none">Achieved
GOAL 8: <i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>	
OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Ensure the financial plan and budget accurately reflect capital and operating expenditure that are needed to deliver safe and reliable service.	<ul style="list-style-type: none">Achieved

RAIL SERVICES

The Rail Services department provides management and operations efforts of the regional rail component, the A-train. Primary to the activities undertaken by this section of DCTA include internal and external agency coordination, TOD and planning, rail operations, rail maintenance, and safety/security. DCTA also entered into a joint rail operations contract with DART and The T in 2011. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for under the Purchased Transportation Services category. In October 2015, DCTA entered into a one year agreement with Herzog for operations and maintenance of the A-train system. Additionally, DCTA and DART entered into an interlocal operating agreement for ticket vending machine services and train platform maintenance. DCTA entered into an agreement with GE for the implementation of Enhanced Automatic Train Control technology. This will move the agency towards compliance with Positive Train Control.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
RAIL SERVICES					
Salary, Wages & Benefits	\$ 189,468	\$ 260,617	\$ 275,024	\$ 279,891	\$ 287,591
Services	145,796	257,527	145,391	169,091	298,160
Materials & Supplies	1,212,234	1,163,199	1,591,037	1,317,337	1,301,000
Utilities	327,549	279,836	279,276	279,276	280,389
Insurance & Casualties	327,167	496,869	494,089	494,089	499,334
Purchased Transportation Services	8,874,900	9,632,780	9,853,076	9,804,412	11,427,074
Miscellaneous	3,815	5,504	6,438	6,438	13,693
Leases & Rentals	92,880	1,104	102,207	102,207	102,207
Depreciation	7,737,424	7,637,028	7,719,558	7,719,558	8,029,976
Total Operating Expense	\$ 18,911,233	\$ 19,734,464	\$ 20,466,096	\$ 20,172,299	\$ 22,239,424
DCTA FTE's	2	2	3	3	3
DART Contract FTE's	53	46.5	49	49	50

MATERIAL BUDGET ITEMS:

- Purchased Transportation includes the following:
- Car Mile rate increase due to vehicles being out of warranty
- Right of Way Maintenance increase for contractor liability
- PTC costs are included in FY16 budget (were not a requirement in FY15)
- Increase in insurance expense
- Fuel budgeted at \$3.25 per gallon in FY16 @ 400,000 gallons
- Includes \$96k for annual landscaping agreement for all facilities and stations

The goals and objectives for rail services are addressed under Transit Operations

Bus Services Division Budget

BUS SERVICES

In 2006, DCTA contracted with First Transit, Inc. to manage the bus operations. Under this contract, First Transit, Inc. provides a General Manager (GM) and corporate support for human resource, benefits, etc. The GM is an employee of the contractor and is not included in the full time equivalent employees. DCTA staff provides the accounting and required controls over expenditures and makes payments for the cost of running the day to day bus operations. The expenses are reported in the normal expense categories of Salary and Wages, Services, Materials and Supplies, etc. The staff consists of drivers, maintenance, operations, and direct administration personnel.

COST CLASSIFICATION	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 Revised	FY 2016 Budget
CONTRACT BUS SERVICES					
Salary, Wages & Benefits	\$ 4,937,760	\$ 5,531,281	\$ 6,701,745	\$ 6,701,745	\$ 6,463,161
Services	384,201	400,697	546,831	546,831	714,150
Materials & Supplies	1,804,258	1,627,759	2,352,874	2,352,874	2,242,584
Utilities	74,223	124,094	112,520	112,520	176,732
Insurance & Casualties	289,586	267,847	272,618	272,618	289,255
Miscellaneous	4,475	7,337	35,370	35,370	47,960
Leases & Rentals	101,654	39,667	2,220	2,220	6,000
Depreciation	876,500	1,240,087	1,783,882	1,783,882	1,917,896
Total Operating Expense	\$ 8,472,658	\$ 9,238,770	\$ 11,808,060	\$ 11,808,060	\$ 11,857,738
Bus Contract FTE's	139	137	140.5	140.5	152

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.50 per gallon in FY16 @ 400,000 gallons
- Additional facility maintenance of \$66k included for general maintenance requirements
- Bus operator wage increase to \$16.28 based on Union contract
- Reduction in health benefits due to a plan change in FY15
- Additional phone expenses not included in the FY15 budget

The goals and objectives for bus services are addressed under Transit Operations

CAPITAL IMPROVEMENT PLAN



CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN OVERVIEW

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

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. This level of investment requires a serious and intensive review of all project requests and any associated operating expenditures to ensure that they are consistent with the needs and goals of the community and adequate resources are available. The capital budget process is designed to enhance the review procedure and ensure this match between capital projects and community needs.

All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department heads should also consider the relationship between the requested projects and other approved or planned capital projects and any on-going 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, and other infrastructure, 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 seven years or longer.

The current year of the CIP is adopted with the approval of the FY 2016 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY16 is \$9.3 million, and includes bus, rail and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

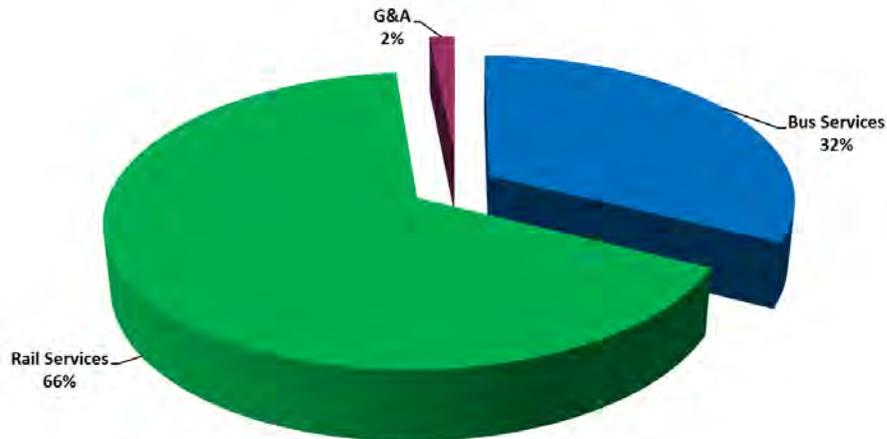
Capital Improvement Plan Summary

Project Name	Project Number	Project Budget	Project LTD thru FY 2014	FY 2015 Projection	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,497,555	11,328,630	167,825						11,496,455
Fleet Replacement (2015)	50505	1,634,000	-	-	1,634,000					1,634,000
DDTC	50303	373,282	12,597	360,685						373,282
Bus Radios	50408	120,870	2,332	118,538						120,870
Scheduling Software	50601	250,000			250,000					250,000
Passenger Amenities (2015)	50203	53,483		53,483						53,483
Transit Enhancements (2015-2016)	50204	165,000			165,000					165,000
Bus Fleet Cameras	50409	149,500			149,500					149,500
Fleet (2016)	50507	1,250,000			1,250,000	1,750,000	1,030,000	2,633,050	1,215,000	7,878,050
Rail Services										
Passenger Information	60701	96,821	57,670	39,150						96,820
Positive Train Control	61406	21,902,951	1,165,153	347,878	3,208,488	7,486,472	9,694,960			21,902,951
Lewisville Bike Trail	61708	3,099,856	649,338	2,450,518						3,099,856
Rail Maintenance of Equipment	61712	1,302,627	137,849	1,164,778						1,302,627
Rail Single Car Operations	61503	101,800	22,169	79,631						101,800
GTW Wheel Work	61505	915,041		915,041						915,041
Shunt Enhancement	61407	141,000		141,000						141,000
T. Mills Crew Facility	61209	250,000		58,700	191,300					250,000
Station Landscaping	61210	485,000		485,000						485,000
Rail Drainage Improvement	61104	500,000		500,000						500,000
Rail Mobilization (2015)	61604	2,119,517		2,119,517						2,119,517
Disaster Recovery	61713	1,500,000		1,000,000	500,000					1,500,000
Rail Capital Maintenance	61714	745,000		745,000	3,970,430	4,330,999	745,000	2,293,971		12,085,400
Stadler Spare Parts	61506	150,000		150,000						150,000
ABB Stadler Spare Parts	61507	276,000		276,000						276,000
Trail Safety Improvements	61715	139,657		139,657						139,657
G&A										
COGNOS Report Writing Application	10601	200,000			200,000					200,000
Comprehensive Service Analysis	10602	567,414		200,000	367,414					567,414
Legal Support	10603	226,753		226,753						226,753
Cloud Hybrid Backup Solution	10401	35,000		35,000						35,000
Shortel Phone System	10402	45,000			45,000					45,000
TOTAL		\$ 50,293,127	\$ 13,375,738	\$ 10,463,497	\$ 9,271,359	\$ 13,206,902	\$ 15,055,959	\$ 3,378,050	\$ 3,508,971	\$ 68,260,476

Sources of Funding (FY16)

Federal / State Grants	\$ 4,157,358
RTC Funds	\$ 1,952,557
DCTA Funding	\$ 3,161,444
TOTAL	\$ 9,271,359

Capital Improvement Total by Division \$68,260,476



Capital Improvement Plan – Project Detail

Project Name: Fleet 2015

Project Number: 50505

Statement of Need/Description

The fleet replacement scheduled for FY15 includes replacement of 4 non-revenue service vehicles that have reached the end of their useful life as well as 4 additional large capacity buses that will be used to meet service requirements. These buses were ordered in FY15 and are scheduled to arrive in late FY16. The additional buses will be grant funded at 85%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	62,000	-	-	Federal Grants	1,336,200
2015-16	1,572,000	See Project Notes	-	Operating Funds	297,800
Total	\$ 1,634,000	\$ -	\$ -	Total Funding	\$ 1,634,000

Change from Previous CIP		Project Notes	
No Change	X	Coordinating Department: Transit Operations	
Increase in Amount		The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses and non-service vehicle replacements will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.	
Decrease in Amount			
New Project			

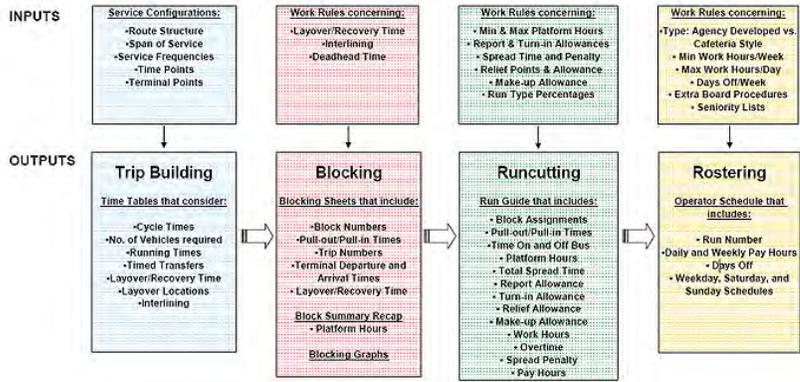
Project Information/Status:



Project Name: Scheduling Software
Project Number: 50601

Statement of Need/Description

Scheduling software will improve the process of developing schedules and creating runcuts. The software will be off-the-shelf and need to be compatible with the Where's My Ride system and Google Transit. In addition, this software should track different schedule versions and maintain integrity of the "master schedule." This project will be grant funded (80%).



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2013-14	-	-	-	State Grants (RTRFI) \$ -
2014-15	-	-	-	Federal Grants 200,000
2015-16	250,000	See Project Notes	-	Operating Funds 50,000
Total	\$ 250,000	\$ -	\$ -	Total Funding \$ 250,000

Change from Previous CIP		Project Notes
No Change	X	Coordinating Department: Transit Operations The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. The agency will use existing resources.
Increase in Amount		
Decrease in Amount		
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Transit Enhancements

Project Number: 50204

Statement of Need/Description

This project will provide for additional bus shelters and benches for our customers, as well as bus stop lighting where needed and accessible concrete pads at the most heavily traveled bus stops.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants	\$ -
2014-15	-	-	-	Federal Grants	131,892
2015-16	165,000	25,000	-	Operating Funds	33,108
Total	\$ 165,000	\$ 25,000	\$ -	Total Funding	\$ 165,000

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

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Bus Fleet Cameras
Project Number: 50409

Statement of Need/Description

Purchase and install cameras on 1 existing Gillig & 4 new Gilligs to be delivered May 2016, 13 Ford Cutaways and 5 Dodge Minivans in order to equip the entire fleet with recording capabilities.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	-	-	-	Federal Grants	119,600
2015-16	149,500	See Project Notes	-	Operating Funds	29,900
Total	\$ 149,500	\$ -	\$ -	Total Funding	\$ 149,500

Change from Previous CIP		Project Notes
No Change	<input type="checkbox"/>	Coordinating Department: Transit Operations The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input checked="" type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Fleet 2016

Project Number: 50507

Statement of Need/Description

The fleet replacement scheduled for FY16 includes 4 additional large capacity buses that will be used to meet service requirements. These buses will be ordered in FY16 and are scheduled to arrive in FY17. The additional buses will be grant funded at 85%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	-	-	-	Federal Grants	1,062,500
2015-16	1,250,000	See Project Notes	-	Operating Funds	187,500
Total	\$ 1,250,000	\$ -	\$ -	Total Funding	\$ 1,250,000

Change from Previous CIP		Project Notes
No Change	X	Coordinating Department: Transit Operations The agency reviews each capital project for associated operating impacts during the budget process. The operating cost related to the additional buses will be minimal and include fuel and standard maintenance. These expenses are included in the cash flow model in future periods under service and materials category.
Increase in Amount		
Decrease in Amount		
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Positive Train Control

Project Number: 61406

Statement of Need/Description

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



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2010-11	239,172	\$ -	\$ -		
2011-12	548,901	-	-		
2012-13	222,980	-	-		
2013-14	154,101	-	-		
2014-15	347,878	-	-	Debt Issuance	\$ 9,100,000
2015-16	3,208,488	178,571	-	State Grants (RTC)	12,500,000
2016-17	7,486,472	178,571	-	Federal Grants	302,952
2017-18	9,694,960	178,571	-	Operating Funds	-
Total	\$ 21,902,952	\$ 535,714	\$ -	Total Funding	\$ 21,902,952

Change from Previous CIP		Project Notes
No Change		<p>Coordinating Department: Rail Services</p> <p>The agency has awarded this project to GE to implement E-ATC Rail Safety Enhancements.</p>
Increase in Amount		
Decrease in Amount	X	
New Project		

Project Information/Status:



Project Name: Trinity Mills Crew Facility

Project Number: 61209

Statement of Need/Description

This project will provide a unisex restroom facility for DCTA train crews at the Trinity Mills station. DCTA will provide the funds for engineering and construction. We will allow DART bus drivers to use the facility and DART will pay for the utilities and ongoing maintenance. The cost estimate assumes a prefabricated building similar to others used by DART and is based on two (2) manufacturing budgetary estimates.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	58,700	-	-	Federal Grants	200,000
2015-16	191,300	See Project Notes	-	Operating Funds	50,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	Coordinating Department: Transit Operations Ongoing operating expenses related to the Trinity Mills Crew Facility will be assumed by Dallas Area Rapid Transit (DART) in exchange for DCTA providing funds for engineering and construction of the facility.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Disaster Recovery {2015 Floods}

Project Number: 61713

Statement of Need/Description

Significant rainfall throughout the months of May & June 2015 resulted in major damage to the Rail infrastructure and systems, drainage channels, and the DCTA Bus O&M Facility. This capital project was originally established in 2015 to fund and capture expenses associated with repairs to restore the Agency's assets to a state of good repair. Staff is working with our insurance carrier to establish a claim as well as FEMA to access federal funds for reimburseable repairs.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	1,000,000	-	-	Federal Grants	-
2015-16	500,000	See Project Notes	-	Operating Funds	1,500,000
Total	\$ 1,500,000	\$ -	\$ -	Total Funding	\$ 1,500,000

Change from Previous CIP		Project Notes	
No Change		Coordinating Department: Transit Operations The agency reviews each capital project for associated operating impacts during the budget process. The operating cost impact to the agency is being tracked under this capital project and will be reimbursed thru FEMA funds.	
Increase in Amount	X		
Decrease in Amount			
New Project			

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Rail Capital Maintenance

Project Number: 61714

Statement of Need/Description

The rail capital maintenance project prepared for regional operations and maintenance contract: Capital project reserve \$500,000; Corridor reimbursable/3rd party incident reserve \$75,000; Mechanical/OMF reserve \$75,000; Right of Way maint reserve \$75,000.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants	\$ -
2014-15	-	-	-	Federal Grants	-
2015-16	745,000	See Project Notes	-	Operating Funds	745,000
Total	\$ 745,000	\$ -	\$ -	Total Funding	\$ 745,000

Change from Previous CIP		Project Notes
		Coordinating Department: Transit Operations
No Change		The agency was working on a joint procurement with our regional partners for the Rail O&M solicitation. For Year 2015-16, DCTA has contracted with the rail service provider independent of the regional solicitation. DCTA is still engaged in discussions with our regional partners for Year 2016-17. As more information is learned thru the process, we will continue to update the long-range financial model and future budgets with the operating impact the rail operations contract will have for the agency.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Stadler Spare Parts

Project Number: 61506

Statement of Need/Description

DCTA will purchase the spare parts needed from Stadler, our fleet manufacturer, in order to maintain the vehicles as needed.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants	\$ -
2014-15	-	-	-	Federal Grants	-
2015-16	150,000	See Project Notes	-	Operating Funds	150,000
Total	\$ 150,000	\$ -	\$ -	Total Funding	\$ 150,000

Change from Previous CIP		Project Notes
No Change	<input type="checkbox"/>	<p>Coordinating Department: Transit Operations</p> <p>The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. The repairs and maintenance performed is included in the rail operations and maintenance 3rd party contract budgeted in Purchased Transportation.</p>
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input checked="" type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: ABB Stadler Spare Parts

Project Number: 61507

Statement of Need/Description

DCTA will purchase the spare power conversion parts needed for our Stadler fleet in order to maintain the vehicles as needed.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants	\$ -
2014-15	-	-	-	Federal Grants	-
2015-16	276,000	See Project Notes	-	Operating Funds	276,000
Total	\$ 276,000	\$ -	\$ -	Total Funding	\$ 276,000

Change from Previous CIP		Project Notes
No Change	<input type="checkbox"/>	Coordinating Department: Transit Operations The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. The repairs and maintenance performed is included in the rail operations and maintenance 3rd party contract budgeted in Purchased Transportation.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input checked="" type="checkbox"/>	

Project Information/Status:



Project Name: Trail Safety Improvement
Project Number: 61715

Statement of Need/Description

This project will include safety and security components along the hike and bike trail.
 Examples of these are the addition of standardized signage along the trail which can include mile markers as well as directional signage and solar lighting for the darkest areas of the trail.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	-	-	-	Federal Grants	111,726
2015-16	139,657	See Project Notes	-	Operating Funds	27,931
Total	\$ 139,657	\$ -	\$ -	Total Funding	\$ 139,657

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Planning / Transit Operations The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. Inter-Local Agreements are in the process of being established with each city in which the trail is located for city to take over maintenance of the trail.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Project Name: COGNOS Report Writing Application

Project Number: 10601

Statement of Need/Description

COGNOS is a business analytics software application that will enable users to extract data, analyze it and assemble reports from DCTA enterprise-wide back-bone financial system (SunGard) and asset management systems. It will enhance utilization of financial and asset systems functionality by providing routine and non-routine users real-time access to business data for planning, budgeting, forecasting and analysis needs. This provides improved reporting capabilities and will support more integrated long-range financial planning and forecasting. This project is 80% grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2013-14	-	-	-	State Grants (RTRFI) \$ -
2014-15	-	-	-	Federal Grants 160,000
2015-16	200,000	See Project Notes	-	Operating Funds 40,000
Total	\$ 200,000	\$ -	\$ -	Total Funding \$ 200,000

Change from Previous CIP		Project Notes	
No Change	X	The initial contract agreement will include a 5 year maintenance agreement. Future on-going annual license and maintenance fees to begin in FY21 operating budget.	
Increase in Amount			
Decrease in Amount			
New Project			

Project Information/Status:



Project Name: Comprehensive Service Analysis

Project Number: 10602

Statement of Need/Description

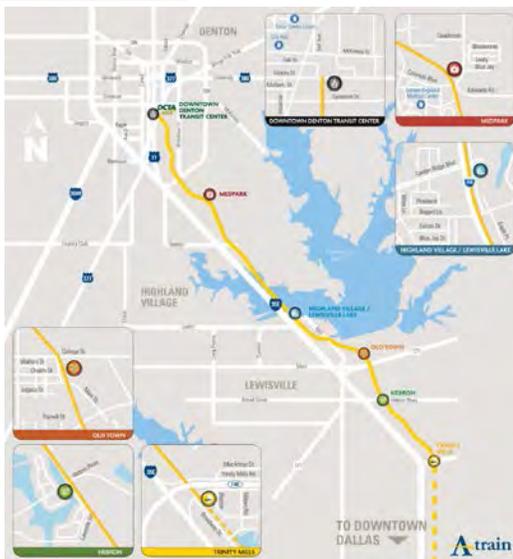
This study will review and analyze DCTA's existing bus service, identify service changes that would maintain strongest areas of existing service strengthen weaker areas, fill existing service gaps and ensure all significant transit markets are well served. The study will involve data collection, operational efficiency analysis, service planning, financial modeling and reporting. The process will provide service recommendations as well as an implementation plan and is anticipated to take up to one year to complete the study in its entirety. This project is grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants (RTRFI)	\$ -
2014-15	200,000	-	-	Federal Grants	381,207
2015-16	367,414	See Project Notes	-	Operating Funds	186,207
Total	\$ 567,414	\$ -	\$ -	Total Funding	\$ 567,414

Change from Previous CIP		Project Notes	
No Change	X	Coordinating Department: Planning / Operations Once the Comprehensive Service Analysis is complete, the agency will identify short and long term goals regarding service levels and will follow the current procedures in place to modify service of the agency. This will involve public involvement as well as Board and stakeholder input. Any associated operating costs will be identified and addressed through future budget years.	
Increase in Amount			
Decrease in Amount			
New Project			

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: ShoreTel Phone System

Project Number: 10402

Statement of Need/Description

Replace aging phone systems in all facilities with matching ShoreTel equipment. The ShoreTel phone system located at the Bus O&M facility can be expanded and installed at each facility and treated as one system at all offices. Direct dial extensions, easy conferencing, and instant messaging (future add-on) are some of the features available with this system. DDTC component includes expanded functionality with call center module software. All line items below include installation and support of system with vendor.



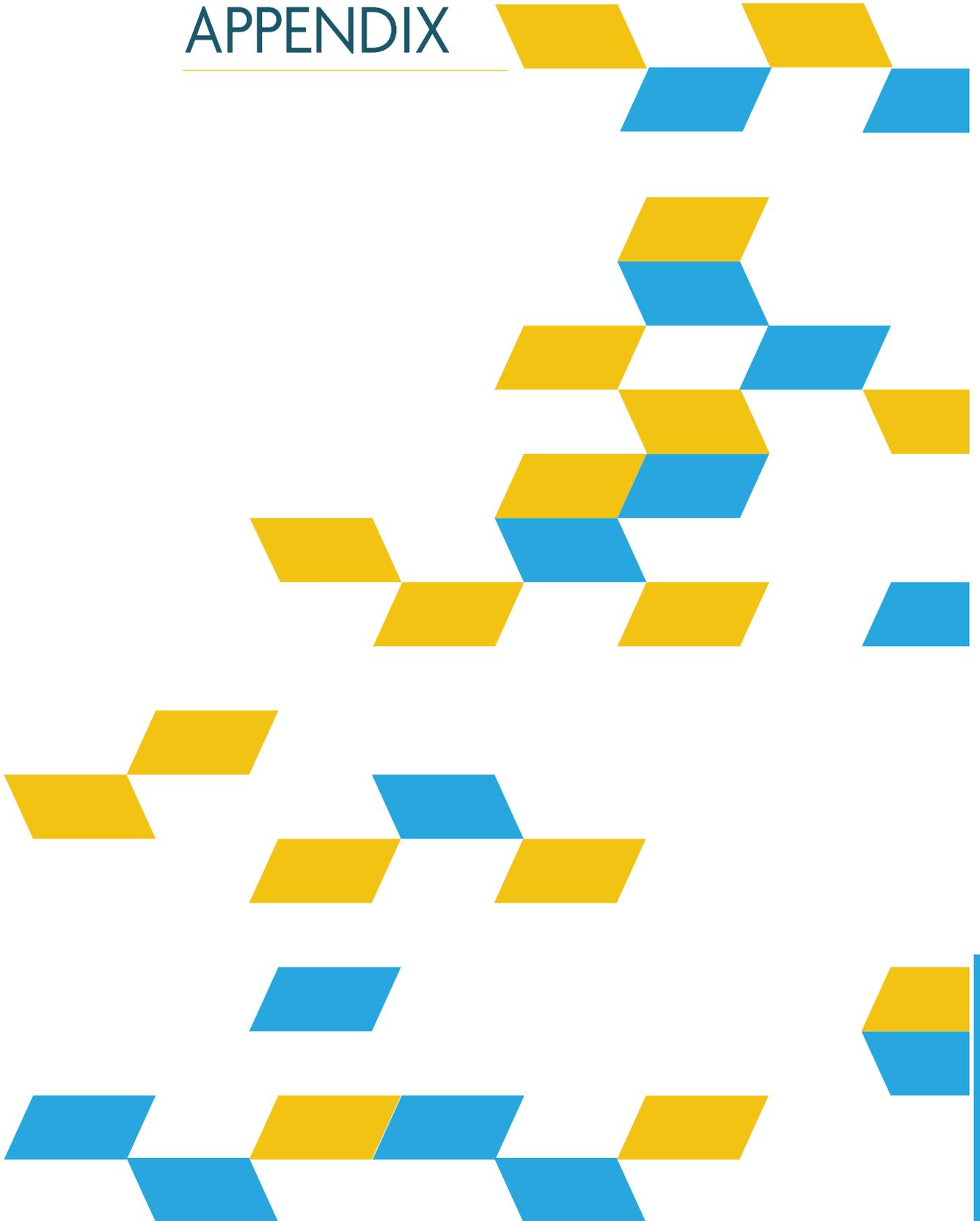
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2013-14	-	-	-	State Grants	\$ -
2014-15	-	-	-	Federal Grants	-
2015-16	45,000	See Project Notes	-	Operating Funds	45,000
Total	\$ 45,000	\$ -	\$ -	Total Funding	\$ 45,000

Change from Previous CIP		Project Notes
No Change		<p>Coordinating Department: Transit Operations</p> <p>The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.</p>
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



APPENDIX



Denton County Transportation Authority Financial Management 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 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.

Objectives

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

- A. To guide DCTA Board of Directors (the Board) and management policy decisions that have significant impact.
- 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 debt obligations on all its debt.
- G. To ensure the appropriate use of financial resources through an effective system of 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

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.

- 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 unreserved/undesignated retained earnings. 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 establish and 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 sales tax.
- c. It will be the policy of DCTA to establish and 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 Facilities/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 establish and maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.05 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.

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 V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time. Guidelines for their contribution are as follows:

- a. All expenditures drawn from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board for expenditure in the annual budget or amended budget.
- b. Equipment Replacement – Twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the full cost of one twelve (12) year life bus.
- c. Infrastructure – Available funds within limitations of current cash flow model, 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 emergency requires draw down of fund balance reserve or sales tax stabilization fund the priority will be to replenish fund balances. Funds balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expenditure reductions or through higher than anticipated revenues. The long range financial plan and annual budget will reflect the timeframe and plan for fund balance replenishment.

Revenue Policies

- a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.
- b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.
- c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:
 - i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expenditure reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The

- Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.
- ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.
- d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.
 - e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.
 - f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board.
 - g. DCTA will review contracts and leases, which result in revenues to DCTA on a timely basis for careful consideration by the Board.

Expenditure Policies

DCTA will only propose operating expenditures which can be supported from on-going revenues. Before undertaking any agreements that would create fixed on-going expenses, the cost implications of such agreements will be fully determined for current and future years. Capital expenditures may be funded from one-time revenues, but the operating budget expenditure impacts of capital expenditures will be reviewed for compliance with this policy provision.

- a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources
- b. DCTA will maintain expenditure 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 bi-annually to insure 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 service plan. Staff shall provide a review of the implications of budgetary proposals on long-range plans.
- b. 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 Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.
- c. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and / or quarterly information in a timely manner on fund level resource collections and category level expenditures.
- d. Revised Budget Policy: 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 Expenditures
 1. DCTA is required to control operating costs and maintain the total expenditures incurred at or below the total annual adopted operating expense budget or budget as amended.
 2. The President 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 during the revised budget process, authorize a budget amendment for approval of new contracts and unbudgeted expenditures.
 - ii. Capital Project Fund Expenditures
 1. Expenditures for capital projects must be approved with the fiscal year capital project budget; or

2. By Board approval of a capital project budget amendment and approval of the purchase during the fiscal year. Capital project budget amendments will be incorporated during the revised budget process.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.
 - iv. Definitions:
 1. *Budget Amendment* – Shall mean a change in the fiscal year budget based on the following criteria:
 - i. Operating – an increase to the total bottom line operating fund expenditure budget
 - ii. Capital – (a) addition of a new project; (b) change in Capital Projects Fund annual appropriation; (c) an increase to the total approved budget of a specific project.
 2. Approval by the DCTA Board of Directors in the form of a resolution is required to authorize an amendment as specified in this section.
 - v. *Budget Transfers* – Shall mean transfer of funds between departments or specific operating expense line items that neither increase nor decrease the total adopted operating fund budget authorization.
- e. 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 recover and/or adjust to serious downturns effectively.
- f. Fixed asset inventories. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The V-P of Finance/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.

Purchasing

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 taxpayers without regard to any undue influence or political pressure.

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

Grants: When procurement involves the expenditure of a grant, purchasing shall be conducted in accordance with all applicable grant laws or regulations.

Emergency procurement: The DCTA President 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 Executive Committee of the Board will be notified immediately of such action. State laws relating to emergency purchases will be followed.

Cost Allocation

DCTA desires to comply with all laws and recommendations in calculating and receiving full cost recovery for services rendered and for allocating appropriate indirect costs related to grant funded projects.

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. DCTA will prepare or have prepared an annual cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87 and in the development of cost of services as applicable for use in contracts for service delivery with outside entities. 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 principals for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, "The principals 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 reduce the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
- B. 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 (while making attempts to strengthen credit rating) (Long Term goal)
- 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 insurer's, etc. through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuance of debt on a competitive basis (except when conditions make a negotiated sale preferable) and award to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is a refunding, or the market is unstable.
- e. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
- f. Short-term borrowing will not be used for operating purposes.
- g. Compliance with continuing disclosure reporting requirements and its 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. This site is used by the ratings agencies and investors. 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 presented to the Board of Directors

- h. Ensure no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The V-P of Finance/CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- i. Limit bonded indebtedness to levels that permit sufficient borrowing to support a reasonable rate of capital programming, permits a level and pace of debt amortization within the DCTA's ability to pay, and supports the DCTA's credit rating objectives. Credit enhancements shall be considered with a cost/benefit analysis for each long-term bond issue.
- j. Reserve accounts shall be maintained 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.
- k. DCTA will maintain debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

Investment Policy

I. POLICY STATEMENT

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

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order 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, Board Policy, and the management of banking services.

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

II. SCOPE

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

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

III. OBJECTIVES AND STRATEGY

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit, and maturity. 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 of DCTA. Investments of DCTA 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 cashflow forecasts, limiting investment types to those specifically authorized by this policy, diversifying investments, and monitoring credit ratings on selected investment types.

Liquidity

DCTA's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash demands cannot be anticipated, a portion of the portfolio will be invested in investments that offer same-day liquidity for unanticipated cash demands. 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 herein, 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 of the portfolio. "Market yield-to-maturity" may be defined as the rolling average yield of the current six-month Constant Maturity Treasury (CMT).

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

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

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

V. DELEGATION OF INVESTMENT AUTHORITY

The Chief Financial Officer acting on behalf of DCTA is designated as the Investment Officer and the President of DCTA is designated as the Alternate Investment Officer of DCTA. The Investment Officer is responsible for investment management decisions and activities. 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 operation of the investment program which are consistent with this Investment Policy. 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.

Authorization Resolution

A Trading 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 Trading Resolution to transact business for DCTA are also authorized to approve wire transfers used in the process of investing.

VI. PRUDENCE

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

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

Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this Policy, when acting in accordance with the written procedures and this Policy and in accord with the Prudent Person Rule, 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 and that appropriate actions are taken to control adverse market effects.

VII. INTERNAL CONTROLS

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

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of DCTA.

Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes.

VIII. AUTHORIZED INVESTMENTS

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

- A. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expenditure 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 principle 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. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA.
- C. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 180 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 180 day stated limitation, but shall not exceed the expenditure plan of the projects;

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

If additional types of securities are approved for investment by public funds by state statutes, they will not be eligible for investment by DCTA until this policy has been amended and the amended version approved by the DCTA Board.

Competitive Bidding Requirements

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

Delivery versus Payment

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

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments made by DCTA will be made through either DCTA's banking services bank or a primary 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 certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- A. provision of 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 a DCTA questionnaire.

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm 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 without any 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 recommend broker selection criteria to the DCTA Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to the DCTA for review and likewise shall execute the aforementioned written instrument stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

It is DCTA's policy to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

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

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 invest more than 20% of the portfolio for a period greater than one (1) year. Unless matched to a specific requirement, the Investment Officer may not invest any portion of the portfolio for a period of greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

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

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

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

Collateralization

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

In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level required will be 102% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) 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
- C. contain a summary statement that states:
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the period; and
 - c. fully accrued interest for the reporting period;
- D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the account or fund for which each investment security was purchased;
- G. compare the portfolio's performance to other benchmarks of performance; and
- H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

XIII. DEPOSITORIES

DCTA will designate one banking institution through a competitive process as its central banking services provider at least every five years. This institution will be used for normal banking services including disbursements, collections, and safekeeping of securities. Other banking institutions from which DCTA may purchase certificates of deposit will also be designated as a depository after they provide their latest audited financial statements to DCTA.

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer shall attend at least one investment training session within twelve months of taking office or assuming duties, and 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, and shall receive not less than ten hours of instruction relating to investment responsibilities. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional "independent sources" from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DCTA.

An Investment Officer of DCTA who has a personal business relationship with an organization seeking to sell an investment to DCTA shall file a statement disclosing that personal business interest. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to DCTA shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the DCTA Board of Directors.

XVI. SUBJECT TO AUDIT

A formal annual review of the investment reports will be performed by an independent auditor with the results reported to the Board. All collateral shall be subject to inspection and audit by the DCTA Treasurer or DCTA's independent auditors.

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

DCTA's Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board or a designated Committee of the Board. A written resolution approving that review, and changes to the policy from the review, will be passed and recorded 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

DCTA BUDGET CONTINGENCY PLAN

FY2016

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 Budget Assessment Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Budget Assessment Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Budget Assessment Team.
- Re-justify all travel related expenditures to the Budget Assessment 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 (\$461,348)

- 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.

Budget Contingency Plan

3% Reduction (\$692,022)

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team.
- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Budget Assessment Team.
- Freeze capital outlay except with necessity review by the Budget Assessment Team.
- Indefinitely freeze all vacant positions except with necessity review by the Budget Assessment Team.

4% Reduction (\$922,696)

- 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 Budget Assessment 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

Budget Contingency Plan

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model 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

RIDERSHIP PERFORMANCE

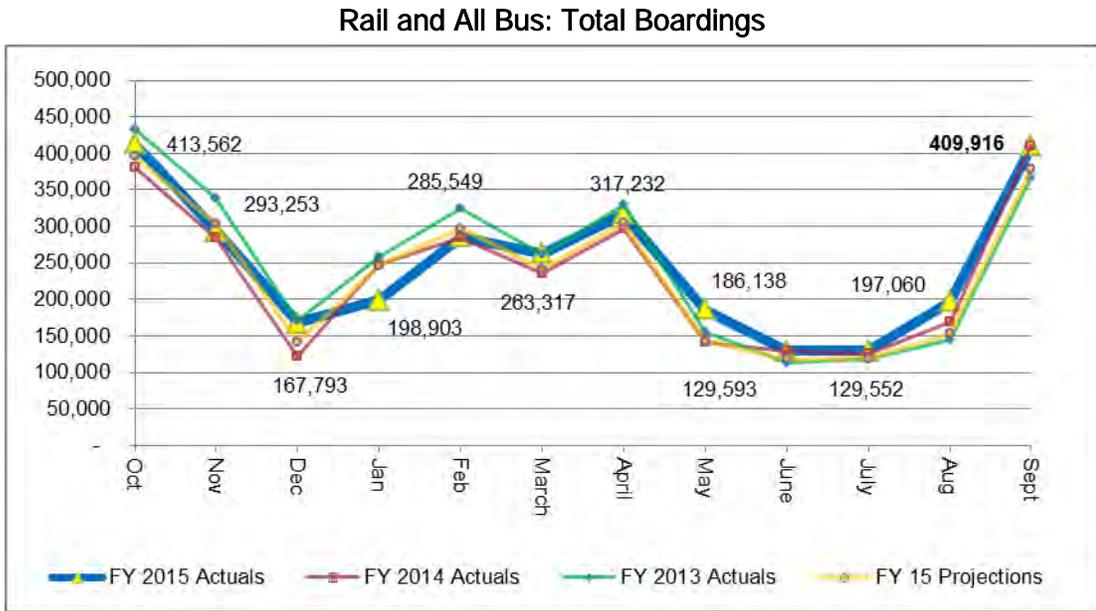
Year to date change in ridership by service type

Service	% Change FY 2014 to FY 2015	Color Indicator	Notation No.
All Bus & Rail	5.63%	Green	1
Rail	-1.46%	Yellow	2
All Bus	7.85%	Green	1
Connect	1.86%	Green	
UNT	9.36%	Green	3
NCTC	22.61%	Green	4
Access	1.05%	Green	
Connect RSVP	-24.86%	Red	5

1. UNT makes up approximately 75% of all bus ridership.
2. In June, heavy rains and flooding impacted rail service which temporarily suspended service.
3. UNT ridership continues to trend upward.
4. NCTC overall growth is attributed to the expansion of NCTC service in September 2014.
5. Connect RSVP continues to decline which is likely due to significant construction associated with the I35 E corridor and construction in close proximity to the station.

Color Key

- Green indicates positive performance
- Yellow indicates service that will be monitored by staff
- Red indicates poor performance and needs further research

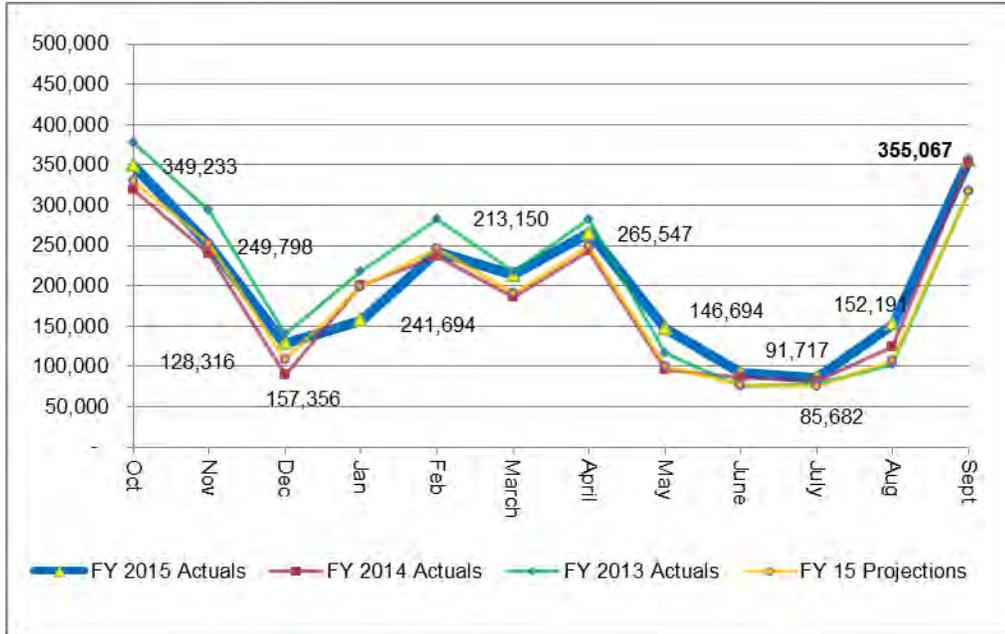


Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, and special movement services.

Rail and All Bus: Total Boardings

- Annual ridership for bus and rail combined increased by 5.63% (or 159,248 boardings) compared to FY 2014.
- When compared to projected FY 2015, actual FY 2015 ridership increased by 5.24%.

All Bus: Total Boardings

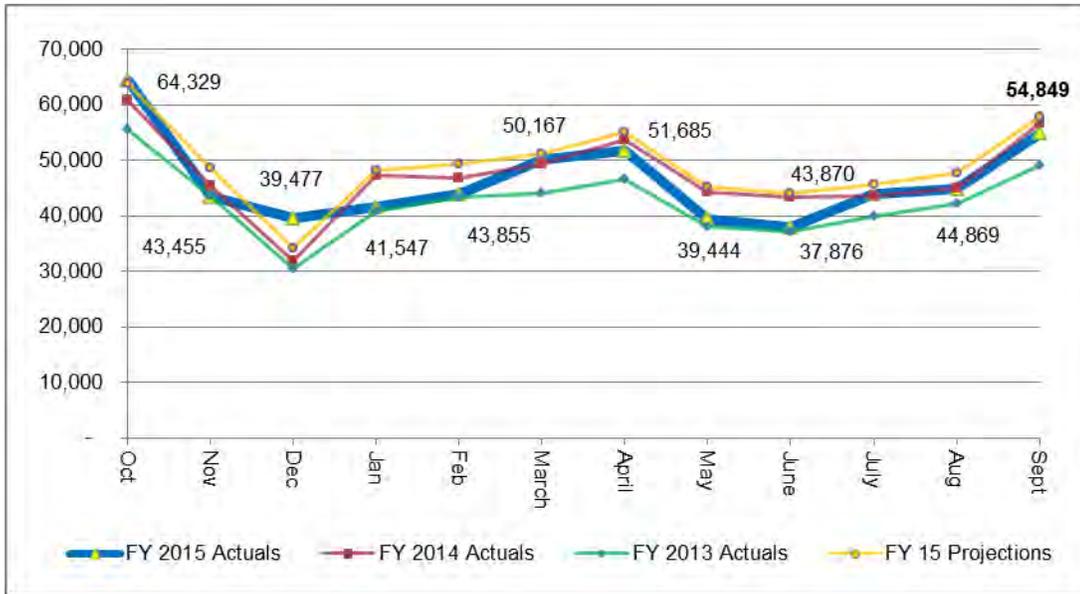


Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, and special movement services.

All Bus: Total Boardings

- Growth in UNT ridership is the primary driver of total bus growth which makes up 71% of total bus ridership.
- Annual UNT ridership increased by 9.36% (or 151,332 boardings) when compared to FY 2014. Actual FY 2015 UNT ridership is 10.52% higher than projected.
- A 3% increase in student enrollment from Fall 2014 to Fall 2015 helps explain this increase in ridership and service levels (average daily revenue miles and hours) increased from FY 2014 to FY 2015.

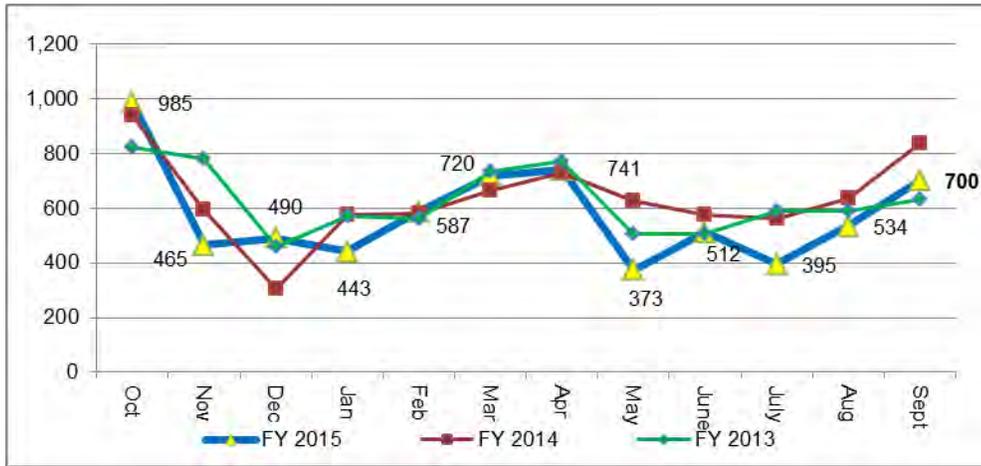
Rail: Total Boardings



Rail: Total Boardings

- FY 2015 rail boardings decreased by 1.46% (or 8,219 boardings).
- Inclement weather in FY 2015 was a major factor for the drop in ridership.
- In May and June 2015, buses were used to bridge gaps in rail service interruptions. If boardings from the bus bridge were combined with rail, FY 2015 ridership would have only dropped by 0.20% (or 1,119 boardings) compared to FY 2014.
- FY 2015 actual boardings were 6.08% lower (or 35,975 boardings) compared to projected boardings.
- FY 2015 average a.m. peak boardings continue to grow which suggests that the traditional southbound commute is declining.
- FY 2015 mid-day northbound, and mid-day southbound boardings increased while a.m. peak southbound, p.m. peak northbound and southbound continue to decline. This trend may indicate that passengers are leaving work and school earlier.

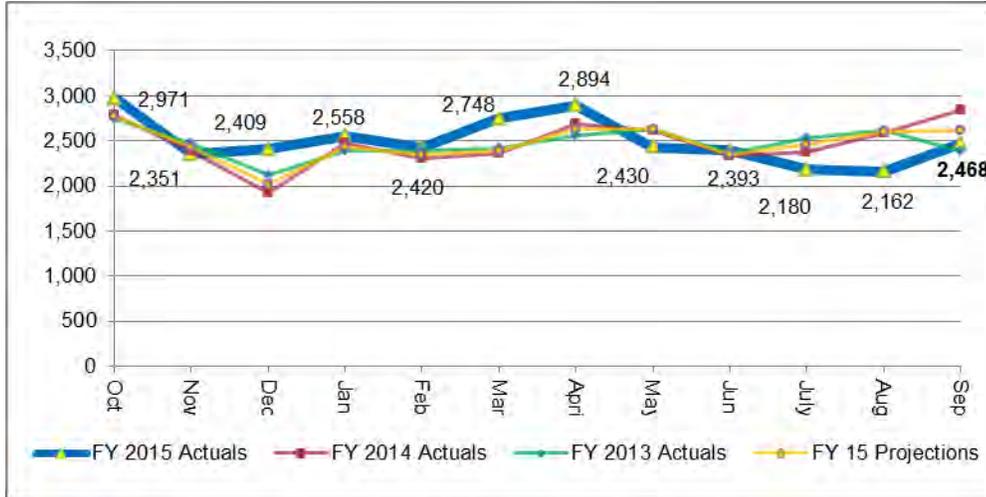
Rail: Saturday Average Boardings



Rail: Saturday Average Boardings

- Average Saturday boardings for FY 2015, declined by 9.18% compared to FY 2014 primarily due to DART CBD rail work being performed in November and December, and inclement weather in January, May and June of 2015.

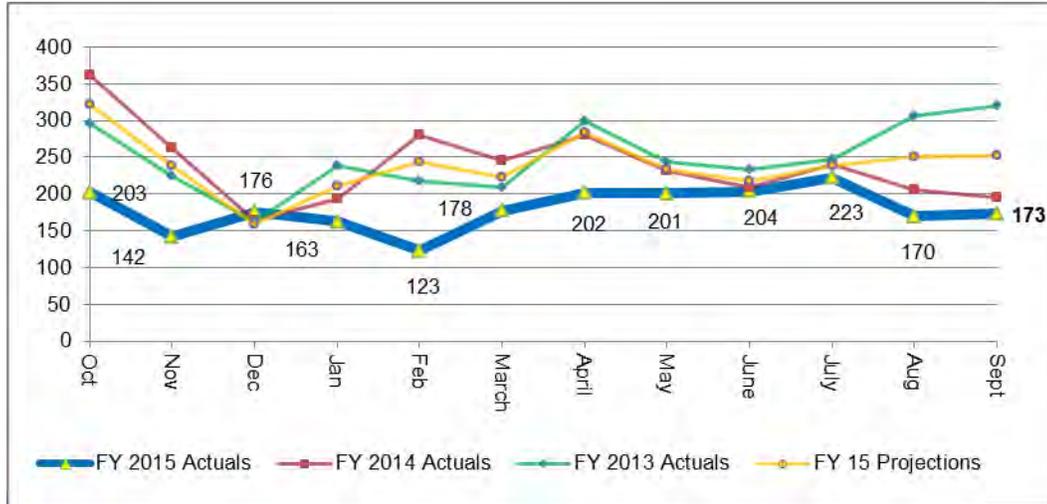
Access: Total Boardings



Access: Total Boardings

- FY 2015 boardings increased by only 1.05% (or 311 boardings) compared to FY 2014.

Connect RSVP: Total Boardings



Connect RSVP: Total Boardings

- Connect RSVP continues to underperform (-24.86% YTD) likely due to more parking availability at HV/LL station, and the inability to make same day reservations. This service is being evaluated as part of the comprehensive planning currently underway for HV / Lewisville routes.

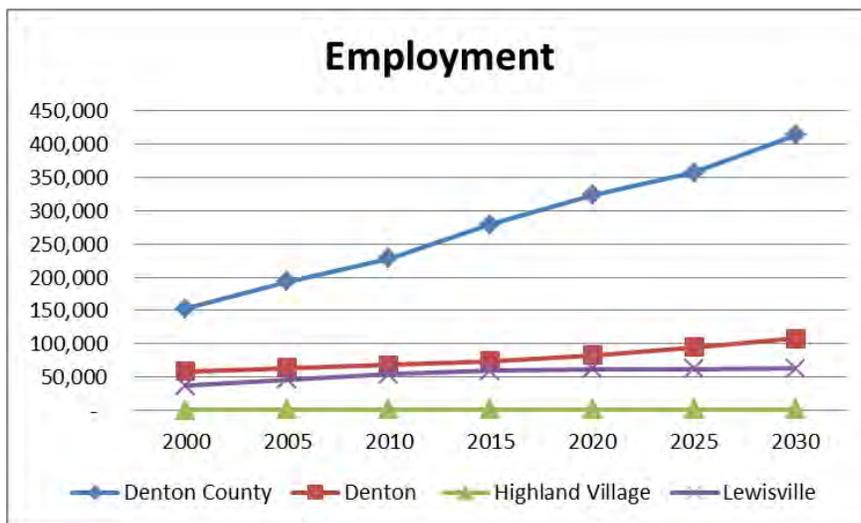
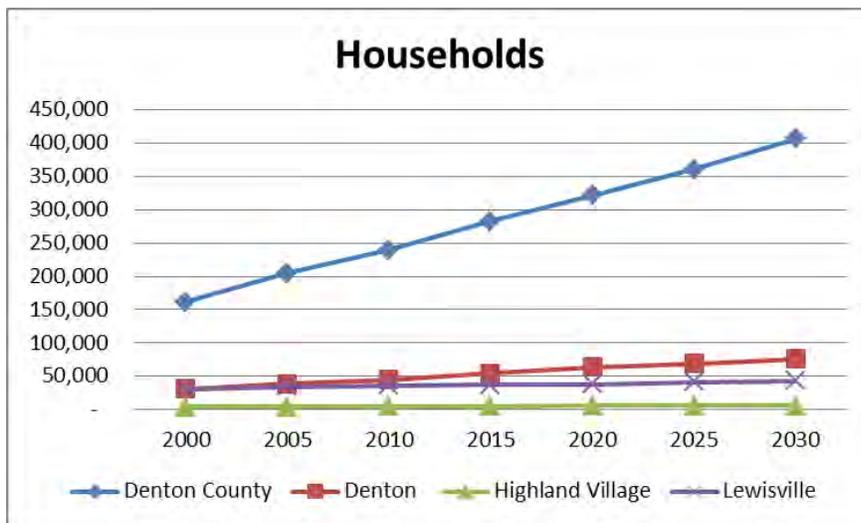
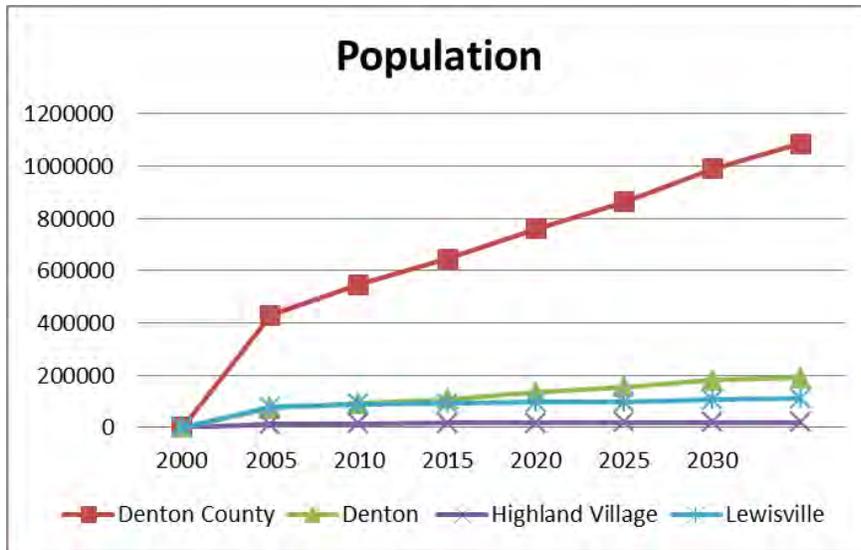
SAFETY/SECURITY

- DCTA Rail Operations Injury-Free Workdays: 1,238
- DCTA Bus Operations Injury-Free Workdays: 4

Denton County Community Profile

	2000	2005	2010	2015	2020	2025	2030
Denton County							
Population	428,080	545,987	643,572	758,897	862,332	989,320	1,085,343
Households	161,390	204,732	239,712	282,658	322,158	361,061	406,614
Employment	152,818	193,627	228,191	279,702	323,082	357,239	413,453
Denton							
Population	73,225	92,375	108,042	132,579	155,700	181,015	190,719
Households	31,174	38,624	44,380	53,930	63,617	68,882	76,397
Employment	58,581	63,470	67,857	74,521	83,082	95,384	107,572
Highland Village							
Population	12,144	13,558	16,554	17,412	18,051	18,194	18,624
Households	3,874	4,295	5,163	5,428	5,617	5,661	5,795
Employment	1,065	1,219	1,346	1,573	1,795	1,796	1,796
Lewisville							
Population	78,360	87,841	92,437	95,554	96,844	105,444	111,168
Households	30,689	34,294	35,982	37,269	37,748	41,076	43,232
Employment	37,145	46,893	54,284	59,803	62,067	62,538	62,603

*Source: North Central Texas Council of Governments – North Central Texas 2030 Demographic Forecast



**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 15-10**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (“DCTA”) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2015-2016, BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2015-2016; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Section 460.403 of the Texas Transportation Code requires the Denton County Transportation Authority (“DCTA”) to prepare an annual budget; and

WHEREAS, the prepared budget, budget contingency plan, and cash flow model have been presented to the public for review and comment; and

WHEREAS, the budget, budget contingency plan, and cash flow model 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 2015–2016 budget as hereinafter set forth, meets the legal and practical requirements of the 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 Budgets for FY 2015-2016, the Budget Contingency Plan FY 2015-2016, and the DCTA Cash Flow Model, attached as Exhibits “A” through “D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

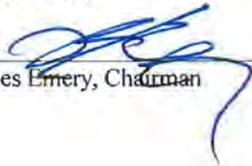
SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2014-2015 are hereby ratified, and the budget for fiscal year 2014-2015, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 24TH DAY OF SEPTEMBER, 2015.

APPROVED:



Charles Emery, Chairman

ATTEST:



Richard Huckaby, Secretary

APPROVED AS TO FORM:



Peter G. Smith, General Counsel
(PGS:09-11-15:TM 73262)

FY16 Budget Revenue Projections

Regular Meeting 2a - Exhibit A

<i>Bus Operations</i>				
Revenue Source	FY14 Actuals	FY15 Budget	Actuals as of June 30, 2015	Proposed FY16
Passenger Revenues				
Connect	\$ 532,120	\$ 554,147	\$ 412,351	\$ 591,052
Access	87,309	81,369	65,601	77,179
UNT	4,189	-	30,918	-
NCTC	20	-	-	-
Total Passenger Revenues	623,637	635,516	508,871	668,232
Contract Services				
Connect	\$ 49,000	\$ 57,000	\$ 8,000	\$ 49,000
UNT	2,424,306	2,437,919	1,948,458	2,473,267
<i>UNT Fuel (Direct Pass Thru)</i>	<i>480,030</i>	<i>624,124</i>	<i>279,992</i>	<i>524,822</i>
NCTC	87,222	79,317	118,417	162,956
<i>NCTC Fuel (Direct Pass Thru)</i>	<i>20,831</i>	<i>61,276</i>	<i>16,013</i>	<i>53,642</i>
Total Contract Services	3,061,389	3,259,636	2,370,879	3,263,687
Total	\$ 3,685,026	\$ 3,895,152	\$ 2,879,750	\$ 3,931,919
<i>Rail Operations</i>				
Revenue Source	FY14 Actuals	FY15 Budget	Actuals as of June 30, 2015	Proposed FY16
Rail Farebox	\$ 831,113	\$ 879,861	\$ 603,786	\$ 874,678
Total	\$ 831,113	\$ 879,861	\$ 603,786	\$ 874,678
<i>G&A</i>				
Revenue Source	FY14 Actuals	FY15 Budget	Actuals as of June 30, 2015	Proposed FY16
Interest Income	\$ 21,100	\$ 33,000	\$ 17,687	\$ 20,000
Fare Evasion Fee	3,750	6,300	1,200	1,500
Sales Tax	21,367,086	22,180,196	17,022,215	23,067,404
Federal Operating Grants	3,410,607	4,653,518	4,080,751	4,643,442
Federal Capital Grants	3,614,583	2,939,149	1,135,904	6,109,915
State Operating Grants	-	-	43,600	-
State Capital Grants	648,939	2,415,963	1,101,675	-
Debt Issuance	-	-	-	-
Total	\$ 29,066,065	\$ 32,228,126	\$ 23,403,032	\$ 33,842,261
TOTAL REVENUES	\$ 33,582,204	\$ 37,003,139	\$ 26,886,567	\$ 38,648,858
<i>Ridership</i>	<i>FY14 Actuals</i>	<i>FY15 Budget</i>	<i>YTD June 2015</i>	<i>FY16 Budget</i>
Bus	2,259,168	2,251,596	1,843,505	2,296,627
Rail	568,338	591,398	411,835	603,226

Resolution Adopting FY 2016 Operating and Capital Budget

Regular Meeting 2a - Exhibit A-2

Denton County Transportation Authority Proposed Fiscal Year 2016 Budget (Including Depreciation)							
Description	FY14 Actuals	FY15 Original Budget	FY15 Revised Budget	Actuals as of June 30, 2015	FY16 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	623,636	635,516	635,516	508,871	668,231	32,715	5%
Passenger Revenues (Rail Farebox)	831,113	879,860	879,860	603,796	874,678	(5,182)	-1%
Contract Service Revenue	3,061,389	3,259,635	3,259,635	2,370,879	3,263,687	4,052	0%
Total Revenue & Other Income	4,516,140	4,775,011	4,775,011	3,483,535	4,806,596	31,585	1%
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	1,856,671	2,197,088	2,138,360	1,590,528	2,543,498	505,138	24%
Services	1,279,218	1,497,029	1,444,613	520,447	1,412,474	(32,139)	-2%
Materials and Supplies	100,781	216,864	246,313	100,072	239,700	(6,613)	-3%
Utilities	12,898	60,353	60,353	20,485	54,240	(6,113)	-10%
Insurance, Casualties and Losses	11,271	11,309	11,309	8,875	11,626	317	3%
Purchased Transportation Services	-	-	159,175	115,950	206,550	47,375	30%
Miscellaneous	110,764	203,667	213,667	76,254	219,694	6,027	3%
Leases and Rentals	311,708	102,777	102,777	96,636	107,976	5,199	5%
Depreciation	(1,778)	-	-	-	33,333	33,333	
Subtotal - G&A	3,691,522	4,289,067	4,376,567	2,529,246	4,929,092	552,525	13%
BUS SERVICES							
Salary, Wages and Benefits	5,531,281	6,701,745	6,701,745	4,501,961	6,463,161	(238,584)	-4%
Services	400,697	546,831	546,831	390,281	714,150	167,319	31%
Materials and Supplies	1,627,759	2,352,874	2,352,874	1,084,541	2,242,584	(110,290)	-5%
Utilities	124,094	112,520	112,520	99,531	176,732	64,212	57%
Insurance, Casualties and Losses	267,847	272,618	272,618	209,448	289,255	16,637	6%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	7,337	35,370	35,370	14,705	47,950	12,590	36%
Leases and Rentals	39,867	2,220	2,220	4,517	6,000	3,780	170%
Depreciation	1,240,087	1,783,982	1,783,982	1,223,731	1,917,895	134,014	8%
Subtotal - Bus Services	9,238,770	11,808,060	11,808,060	7,528,714	11,857,738	49,678	0%
RAIL SERVICES							
Salary, Wages and Benefits	260,617	275,024	279,891	211,532	287,591	7,700	3%
Services	267,527	145,391	169,091	104,157	298,160	129,069	76%
Materials and Supplies	1,163,199	1,591,037	1,317,337	753,054	1,301,000	(16,337)	-1%
Utilities	279,836	279,276	279,276	171,843	280,389	1,113	0%
Insurance, Casualties and Losses	496,869	494,089	494,089	362,676	499,334	5,245	1%
Purchased Transportation Services	9,632,780	9,853,076	9,804,412	7,252,134	11,427,074	1,622,662	17%
Miscellaneous	5,504	6,438	6,438	13,317	13,693	7,255	113%
Leases and Rentals	1,104	102,207	102,207	1,655	102,207	-	0%
Depreciation	7,637,028	7,719,558	7,719,558	5,784,815	8,029,976	310,418	4%
Subtotal - Rail Services	19,734,464	20,466,096	20,172,299	14,655,183	22,239,424	2,067,125	10%
Total Operating Expenses	32,664,756	36,563,243	36,356,926	24,713,143	39,026,254	2,669,326	7%
Income Before Non-operating Revenue & Exp	(28,148,617)	(31,788,232)	(31,581,915)	(21,229,608)	(34,219,658)		
Non-Operating Revenues / (Expense)							
Investment Income	21,100	33,000	33,000	17,687	20,000	(13,000)	-39%
Non-Operating Revenues / (Expense)	81,520	6,300	6,300	79,968	1,500	(4,800)	-76%
Sales Tax Revenue	21,367,086	21,347,080	22,180,196	17,022,215	23,067,404	887,208	4%
Federal Grants & Reimbursements	7,025,190	16,617,500	7,592,667	4,903,769	10,753,357	3,160,590	42%
State Grants & Reimbursements	649,939	2,356,300	2,415,963	1,145,275	-	(2,415,963)	-100%
Debt Issuance	-	5,500,000	-	-	-	-	
Long Term Debt Interest/Expense	(1,451,364)	(2,721,899)	(2,721,899)	(910,175)	(1,156,422)	1,565,477	-58%
Total Non-Operating Revenue / (Expense)	27,692,472	43,140,281	29,506,227	22,258,738	32,685,839	3,179,612	11%
Change in Net Position	(456,145)	11,352,049	(2,075,688)	1,029,130	(1,533,819)		
Net Position - Beginning of Year:					16,505,972		
Net Position - End of Year:					14,972,153		
<i>Transfer to Capital Projects</i>					(9,271,359)		
Net Position After Capital Project Transfer					5,700,794		

9/2/2015

Resolution Adopting FY 2016 Operating and Capital Budget

Capital Improvement Plan										
Project Name	Project Number	Project Budget	Project LTD thru FY 2014	FY 2015 Projection	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,497,655	11,328,530	167,825						11,496,455
Field Maintenance (2015)	50305	1,634,000			1,634,000					1,634,000
DOTC	50303	373,282	12,567	380,865						373,282
Bus Routes	50408	120,970	21,392	116,558						120,970
Scheduling Software	50301	250,000			250,000					250,000
Passenger Amenities (2015)	50205	53,483		53,483						53,483
Transit Enhancements (2015-2016)	50204	165,000			165,000					165,000
Bus Fleet Cameras	NEW	149,500			149,500					149,500
Fleet (2016)	NEW	1,250,000			1,250,000	1,750,000	1,000,000	2,653,050	1,215,000	7,678,050
Rail Services										
Passenger Information	60701	96,821	57,670	39,150						96,821
Prostate Train Control	61403	21,302,951	1,165,153	547,878	3,008,488	7,486,472	5,634,980			21,302,951
Lewisville Blar Trail	61705	3,088,836	848,388	2,450,518						3,088,836
Rail Maintenance of Equipment	61713	1,307,637	137,849	1,164,778						1,307,637
Rail Single Car Operations	61503	101,800	25,169	79,631						101,800
CTW/Wheel Work	61505	915,041		915,041						915,041
Shunt Enhancement	61407	141,000		141,000						141,000
1. Mile Crew Facility	61200	280,000		88,700				191,300		280,000
Station Landscaping	61210	485,000		485,000						485,000
Rail Drinking Improvement	61104	500,000		500,000						500,000
Rail Mobilization (2015)	61604	2,119,517		2,119,517						2,119,517
Disaster Recovery	61773	1,500,000		1,000,000	690,000	3,970,430	4,330,999	745,000	2,263,871	1,500,000
Rail Capital Maintenance	NEW	745,000			745,000					745,000
Standard Spare Parts	NEW	150,000			150,000					150,000
ABS Sticker Spare Parts	NEW	276,000			276,000					276,000
Trail Safety Improvements	NEW	139,657			139,657					139,657
GA&										
COCHIOS Report Writing Application	10901	200,000			200,000					200,000
Comprehensive Services Review	10902	667,414			667,414					667,414
Legal Support	10903	226,729		226,729						226,729
Cloud Hybrid Backup Solution	10401	35,000		35,000						35,000
Special Phone System	NEW	45,000			45,000					45,000
TOTAL		\$ 50,293,127	\$ 13,976,736	\$ 3,953,516	\$ 9,271,359	\$ 13,209,902	\$ 15,055,959	\$ 3,376,050	\$ 3,508,971	\$ 89,290,476
Source of Funding										
Federal / State Grants					\$ 4,157,348	\$ 1,487,500	\$ 875,500	\$ 2,238,093	\$ 1,032,750	\$ 9,791,201
New Debt Issuance (PFC)					\$ -	\$ -	\$ 5,600,000	\$ -	\$ -	\$ 5,600,000
RTC Funds					\$ 1,950,557	\$ 5,905,477	\$ 4,530,206	\$ -	\$ -	\$ 12,500,000
DCTA Funding					\$ 3,161,444	\$ 7,730,225	\$ 4,122,150	\$ 1,136,957	\$ 2,476,221	\$ 16,626,040
TOTAL					\$ 9,271,359	\$ 13,209,902	\$ 15,055,959	\$ 3,376,050	\$ 3,508,971	\$ 44,421,241

Regular Meeting 24 - Exhibit B

8/19/2015

Resolution Adopting FY 2016 Operating and Capital Budget

FY16 Proposed Budget

	2016	2016	2017	2018	2019	2020	2021
OPERATING REVENUES							
Beginning Fund Balance:	\$ 20,555,696	\$ 16,505,972	\$ 14,101,998	\$ 9,824,961	\$ 9,987,795	\$ 11,999,973	\$ 13,395,633
Bus Operating Revenue	\$ 3,895,151	\$ 3,951,918	\$ 4,038,511	\$ 4,144,128	\$ 4,254,799	\$ 4,437,320	\$ 4,595,902
Rail Operating Revenue	379,847	374,678	389,425	397,259	401,182	1,000,312	1,010,315
NON-OPERATING REVENUES							
Sales Tax Revenue	22,180,187	23,007,404	23,990,100	24,949,724	25,947,082	26,943,000	28,000,024
Formula Grants (Operating)	4,863,518	4,843,442	4,870,424	7,240,055	6,107,105	7,434,343	8,225,679
Interest Income-Non RRF - Funds	38,000	20,000	42,308	28,175	29,983	35,981	40,170
Misc. Revenue	6,900	1,900	1,500	1,500	1,500	1,500	1,500
OPERATING EXPENSES							
Bus Operating Expense	10,024,475	9,658,642	11,249,838	12,823,854	11,002,303	11,392,742	11,799,745
Rail Operating Expense	12,452,441	14,008,486	14,638,212	14,958,859	14,698,284	18,608,182	18,542,228
Bus Operating Expense	4,570,597	4,695,750	5,040,082	5,200,038	5,377,580	5,554,181	5,727,121
NON-OPERATING EXPENSES							
Total Operating (Income) / Expense	31,948,025	32,588,942	33,574,323	37,267,141	37,237,240	39,895,485	41,908,049
NET INCOME	26,853,486	25,045,030	25,377,732	30,514,108	31,077,817	32,834,116	33,057,244
Total Expense	4,794,539	3,293,892	4,795,305	7,043,023	6,159,467	7,047,327	8,850,609
CAPITAL OUTLAY							
Bus Capital Expenditure	1,418,804	887,014	1,750,000	1,030,000	2,893,050	1,215,000	435,000
Rail Capital Expenditure	300,905	2,894,000	199,657	-	-	-	-
Professional Services / Technology / Improvements	2,450,515	368,782	-	-	-	-	-
Rail Capital Expenditure (LY Hire & Shift)	368,782	31,075	-	-	-	-	-
High-Paying Equipment	608,841	187,300	-	-	-	-	-
Rail Station Improvements	549,795	2,079,815	220,031	121,000	745,000	2,203,871	745,000
Rail MOE	220,031	147,000	5,970,430	4,230,039	-	-	-
Single Car Operations / Sign Enhancement	11,000,000	4,000,000	-	-	-	-	-
Re-Railing Equipment	121,000	4,000,000	-	-	-	-	-
Rail Capital Maintenance	2,110,817	3,038,488	7,489,472	6,944,050	-	-	-
Deerster Recovery - 2015 Floods	397,875	9,277,399	13,205,802	10,085,959	3,378,050	3,508,971	1,170,000
Rail Medication	11,377,375	1,450,551	2,959,177	5,500,000	4,875,526	2,203,028	2,002,750
CAPITAL SOURCES							
New Money (Debt Issuance)	5,565,112	4,157,263	4,487,520	4,875,526	2,203,028	2,002,750	981,250
Debt Refunding	6,386,112	6,169,916	7,476,877	10,531,758	2,280,983	1,037,799	357,250
DEBT SERVICE							
2008 Issued (ST) Debt Service	1,718,482	1,718,357	1,713,897	1,717,520	1,714,867	1,715,306	1,713,295
2011 Confirmed Obligations (Mortgage)	751,945	763,956	770,133	775,755	789,761	794,965	802,399
2011 Confirmed Obligations (PTC)	253,465	254,081	249,542	254,631	254,506	259,005	272,877
2018 Confirmed Obligations (PTC)	2,721,900	2,736,423	2,743,412	2,758,066	2,825,219	2,892,980	2,972,930
Gross Sales Tax Coverage	317	635	874	625	659	533	633
Internal Debt Service Coverage	1.75	1.28	1.23	2.55	2.04	2.23	2.78
Year End Audit Adjustment	16,306,972	14,101,996	9,824,931	9,987,723	11,999,973	13,399,933	18,202,995
Less Restricted (RRF) Interest Income	8,713,732	7,261,203	7,344,423	7,273,827	7,789,454	8,212,329	8,296,617
Less Restricted Fund Balance (Cash Reserve Policy)	380,000	602,000	719,532	745,481	773,451	802,008	847,531
Less Sales Tax Substitution Fund	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Less Construction Reserve	538,000	2,000,000	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Net Available Cash	8,438,931	4,076,130	589,233	688,126	1,385,905	2,294,174	7,051,503

Regulation Meeting 23, 8:00 AM

DCTA Budget Contingency Plan
FY2016

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 Budget Assessment Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Budget Assessment Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Budget Assessment Team.
- Re-justify all travel related expenditures to the Budget Assessment 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 (\$461,348)

- 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 (\$692,022)

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team.
- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Budget Assessment Team.
- Freeze capital outlay except with necessity review by the Budget Assessment Team.
- Indefinitely freeze all vacant positions except with necessity review by the Budget Assessment Team.

4% Reduction (\$922,696)

- 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 Budget Assessment 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 cash flow model 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

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

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

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

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

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

Grants and Reimbursements are sources of financing for the transportation operations and DCTA.

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 Assets – The change in equity resulting from the current year activities.

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

Diesel Multiple Unit (DMU) - A diesel multiple unit or DMU is a multiple unit train consisting of multiple carriages powered by one or more on-board diesel engines. They may also be referred to as a railcar or rail motor, depending on country.

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

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

Enhanced Local Assistance Program (ELAP) – An expense incurred through a financial improvement program for DCTA participating cities. This expense is generally 25% of the DCTA sales tax collections and can be used to provide transportation related improvements within the participating cities.

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

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

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

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

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

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

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

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

Governmental Accounting Standards Board (GASB) - An organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles (GAAP). These standards make it easier for users to understand and use the 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.

GTW Vehicle - The GTW articulated railcar is based on a modular vehicle concept to optimally meet the various requirements in terms of track gauge, structural clearance and transport capacity. Thanks to its modular design,

Glossary cont.

the GTW articulated railcar available in electric versions for all common voltages as well as in diesel-electric versions. Its' typical feature is its Power Module which is located in the center of the vehicle and which houses the entire power plant.

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

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

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

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

Miscellaneous – Expense consisting of expenses that cannot be attributed to any of the other major expense categories.

Net Investment Income – Consists of interest income from authorized investments, net of interest expense related to debt financing.

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

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

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

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

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

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

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 Fringe 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.

Services – 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.

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

Budget Art by Amber Road Design

Amber Road Design is a collaboration of Katie Althoff & David Shaw. To see more of their work, contact them by email at amber.road.design@gmail.com



DCTA