



DENTON COUNTY
TRANSPORTATION AUTHORITY

OPERATING & CAPITAL BUDGET

LEWISVILLE, TEXAS



2017

DENTON COUNTY
TRANSPORTATION AUTHORITY
OPERATING & CAPITAL BUDGET



DENTON COUNTY TRANSPORTATION AUTHORITY

VISION, MISSION, CORE VALUES & 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.
 - **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.
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DENTON COUNTY TRANSPORTATION AUTHORITY
VISION, MISSION, CORE VALUES & GOALS

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, 2015

A handwritten signature in black ink, reading "Jeffrey R. Egan".

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, 2015. 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

BUDGET MESSAGE



September 22, 2016

Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2017 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 FY2017 Budget reflects the 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 long range 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 within the context of the long-range financial plan.

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:

1. Maximize service efficiency and reliability
2. Maximize the effectiveness of service for DCTA's ridership market
3. Increase visibility and evaluate the image of the Authority
4. Expand DCTA services into areas where transit has a likelihood of success
5. Coordinate regional services with other regional transit providers
6. Tie the provision of transit to land-use and the resulting demand levels
7. Advocate sustainable development practices that support transit

BUDGET MESSAGE

8. 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 2016 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 long range financial plan. The 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 FY17 budget. In May, service delivery objectives and related performance measures were defined. In the June/July timeframe, staff and the Finance Committee developed and reviewed revenue projections, operating budget, 5-year capital budget requirements as well as the impact of the budget decisions on the long range financial plan with specific focus on the first five years. At a workshop in July, all components of the proposed budget including the impact of the proposed operating and capital programs on the long-range financial plan were discussed in detail with 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 FY2017 Budget and the updated Cash Flow Model at its September 2016 meeting.

BUDGET SUMMARY

The development of any budget is always challenging because the demand for more bus and rail service continues. The economic climate in North Texas continues to show strong growth 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. For FY2017, the Adopted Budget focuses on implementing the first phase of the Comprehensive Operational Analysis (COA) and enhances bus services and improves schedule reliability and connectivity to the A-train. It addresses essential capital maintenance and bus vehicle replacement via a comprehensive fleet replacement plan and infrastructure maintenance plan. It also incorporates funding for projects and services that enhance the customer experience with passenger amenities and comprehensive marketing campaigns. A detailed narrative of the assumptions that build this budget is provided on pages 36-39 of this document. Key elements of the budget include the following:

Approximately 85% of DCTA revenues come from two sources; sales tax revenue (51%) and federal grants (32%). Total revenues for FY2017 are projected at \$48.0 million, an increase of 17% over FY2016 revised budget. This is due primarily to an increase of just over \$5.3 million in operating and capital grants. The FY2017 Budget includes both federal and state operating and capital grant revenues totaling just over \$18.2 million of which \$14.7 million is to fund capital. Approximately \$6 million of the increase in grant capital revenue is for the amount anticipated to be reimbursed for the Positive Train Control project in FY2017. Sales tax is budgeted at a 7% increase over FY16 budget. This overall increase is based on a 4% increase over the projected year-end collections for 2016. The resulting increase is just over \$1.5 million projected for FY2017 for a total of \$24.6 million projected for sales tax revenue.

BUDGET MESSAGE

The expenditure portion of the budget includes operating and capital expenditures. Total expenditures (including approximately \$10.3 million in depreciation) are \$64.7 million for the FY2017 budget, with capital expenditures making up \$24.8 million. Total expenditures reflect an increase of 10.3 million more than FY-2016 revised budget. A significant portion of the increase, \$8.3 million, is due to capital project activity which is primarily grant funded. Again, the increase in capital projects is due to the requirements for positive train control which must be completed by the federally mandated deadline of December 2018. There is no new debt issuance anticipated in FY2017. Other operating expenditure elements include:

- \$9.6 million is budgeted for purchased transportation. This is a decrease of just under \$1.1 million over revised FY2016. This decrease is due primarily to the cost savings resulting from the new contract awarded to First Transit for rail operations and maintenance and well as planned transition to single car operations in FY2017.
- Diesel fuel is budgeted at \$2.75 per gallon for rail operations and \$3.00 per gallon for bus operations and accounts. Although this is reflected as an increase of \$912,000 or 36% compared to revised FY2016, this variance is a result of approximately \$1 million in fuel savings that were transferred out to the Capital Infrastructure Reserve Fund at FY2016 revised budget which subsequently decreased the fuel line item budget.
- 3.5% merit pay for DCTA employees is included in this budget. This is an increase of approximately \$60,000 budgeted to allow for merit pay based on employee performance. TMDC salaries will also increase for bus operators based on the negotiated union contract to an average \$16.61 per hour. An increase for TMDC administrative and maintenance staff is included as well and is projected to be an additional \$54,000.
- An increase of 10% and 15% in health care benefits is budgeted for DCTA and TMDC respectively. This increase over last year is primarily due to increases in staffing, current claims history and the impact of the Affordable Care Act.
- A market survey and compensation review was completed in 2016 and resulted in adjustments to keep DCTA's pay plan structure competitive. A compensative and benefits market survey is planned every three 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 this market study and compensation review.
- Additional positions to keep pace with the growing level of service delivery for FY2017 include two (2) mechanics to support the additional fleet to fulfill the added bus service, a full-time Payroll & Benefits Coordinator and two (2) marketing interns to support the expanded Marketing & Communication efforts.

Capital projects represent a significant investment by DCTA to developing and maintaining the agency's equipment and infrastructure in a state of good repair. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements needed in subsequent years. It also allows staff to identify alternative funding sources as well as anticipated on-going operating impact of new capital projects. DCTA is anticipating spending just under \$24.8 million on current and new capital projects for FY2016. \$ 7.5 million of the total is appropriated for positive train control, just under \$4 million for rail capital maintenance, \$2.8 for 2015 flood recovery repairs \$2.8 million for bus fleet replacement, and with the remaining amount for completion of the Lewisville portion of the A-train hike and bike trail, rail maintenance of way and maintenance of equipment, agency wide technology improvements and passenger amenities.

BUDGET MESSAGE

The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) for the North Texas Region. In its Mobility 2040 Plan, it outlines the projected growth for the region and the implications for transportation systems and the critical need for maximizing the existing transportation systems and then strategically investing in new infrastructure. The Dallas-Fort Worth area, which includes Denton County, is the fourth largest metropolitan region in the country in terms of population and it adds approximately 1 million people every 10 years. By 2040, the regions will be home to almost 10.7 million people. In addition, current employment is expected to grow from 4.6 million to 6.7 million. Included in the investments that will be needed to meet the travel needs of the growing region are investments in rail and bus. These investments in transit will help increase the availability of transit options.

DCTA's FY17 Budget, the long-range financial plan and the long range service plan incorporate an approach that positions the agency to help meet the future needs of the region. The challenge for DCTA will be to prioritize projects and demands for service that outpace available funding. Although sales tax, DCTA's primary revenue source, has seen strong, stable growth since 2008, the impact of the drop in oil prices to the Texas economy cannot be discounted, even in the North Texas Region. As a result, sales tax growth is monitored closely and projected at a conservative 4% growth in the long-range financial plan, which is below the 10-year average of 5.2%.

DCTA's economic impact to the communities and the region it serves, has the potential to be significant. One of the challenges will be to thoughtfully and strategically address DCTA's role in transit-oriented development (TOD) around its rail stations. The area surrounding the Hebron Rail Station is seeing transformative development that sets a framework for other TOD initiatives.

This budget continues DCTA's commitment to stay the course to maintain long-term fiscally sustainable service delivery and, meet the transit needs of our rapidly growing region. 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



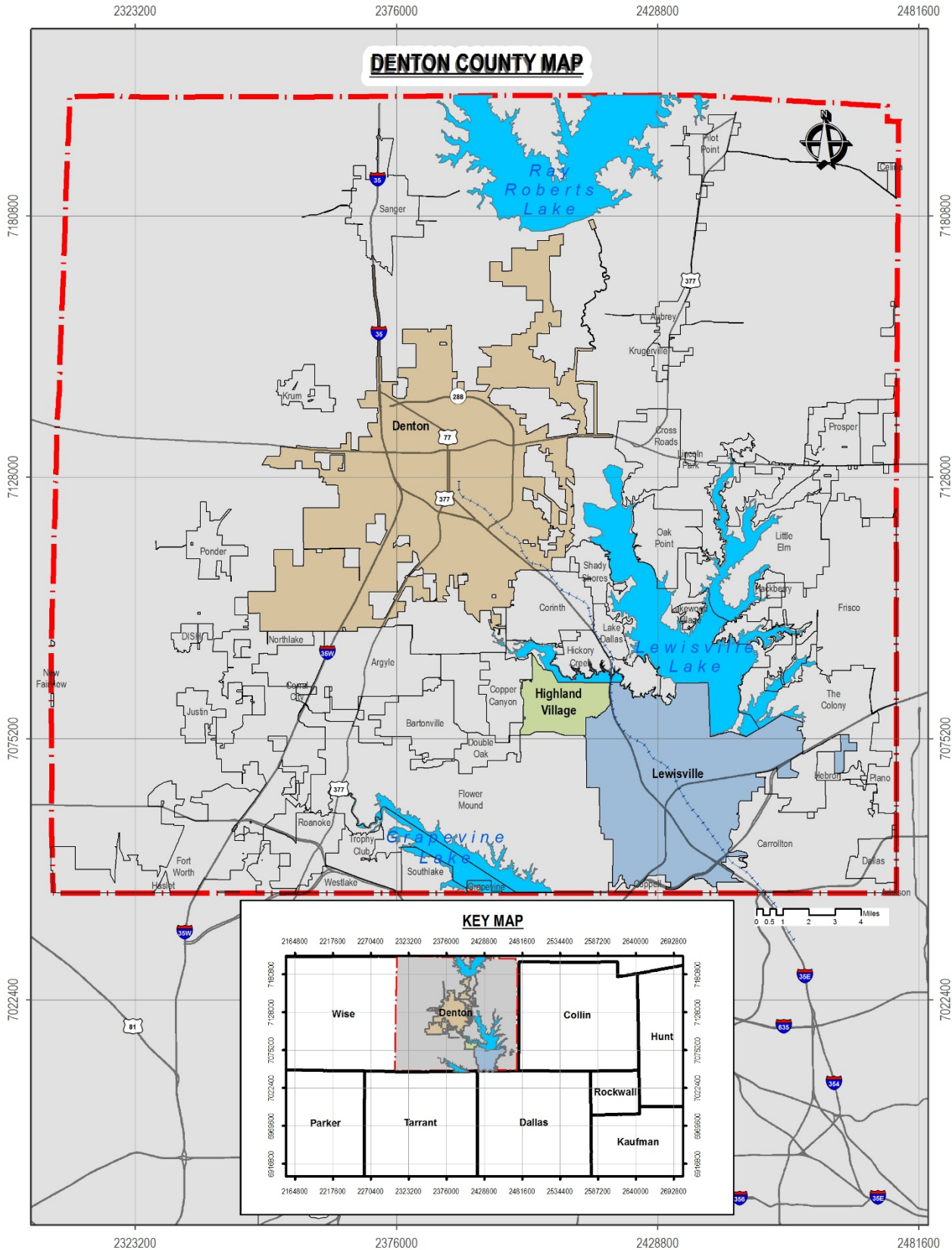
Board Member
Skip Kalb
Small Cities



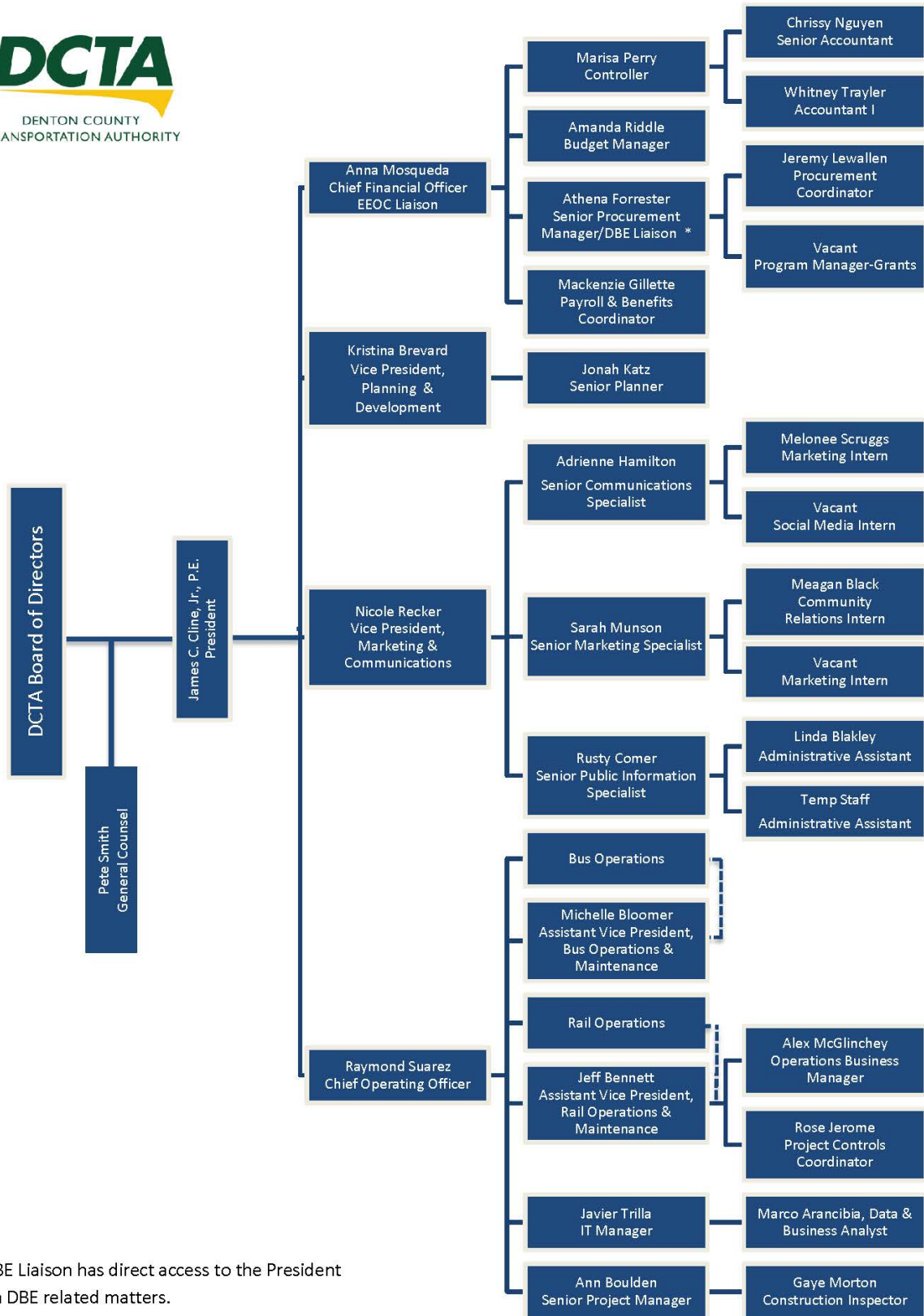
Board Member
Connie White
Small Cities

Board Member
Vacant
Small Cities

DENTON COUNTY MAP



DCTA ORGANIZATION CHART



SERVICES & ACTIVITIES

DCTA AT A GLANCE

Denton County is the 25th fastest-growing county in United States with nearly 781,000 residents, according to the U.S. Census Bureau. On November 5, 2002 Denton County approved the creation of the Denton County Transportation Authority (DCTA). DCTA is the coordinated county transportation authority for Denton County created in 2002 to advance public transportation alternatives. The agency was funded in 2003 by a dedicated ½ cent sales tax from the cities of Denton, Lewisville and Highland Village and fulfilled its initial service plan in June of 2011 with the launch of commuter rail service. In December 2011, DCTA updated its service plan to include system-wide improvements to build on the initial investments and meet the public transit needs caused by the area's dynamic growth.

As a regional partner, the Denton County Transportation Authority is committed to providing safe, customer focused, and efficient mobility solutions for Denton County. For the past 14 years, DCTA has accelerated innovative 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 has achieved many major milestones including:

- Launch of A-train 21-commuter rail service in June 2011
- Celebrating the grand opening of its new bus operations maintenance facility in February 2014
- Partnering with the City of Frisco to launch new demand-response service in December 2015
- Implementation of the first phase of the agency's Comprehensive Operational Analysis (COA) study which provided for enhanced services in Lewisville in August 2016 and new Highland Village Connect Shuttle and Community On-Demand services in April 2016 and planned service improvements in Denton in 2017-2018
- Signing a new long-term rail operations and maintenance contract with First Transit, Inc. in June 2016 -one of largest contract agreements in agency history
- Implementing a pilot program with Uber to provide "last mile" connection within a specific geo-coded area for Highland Village and portions of Lewisville in October 2016
- Joint service with the Fort Worth Transportation Authority (FWTA) for a pilot commuter express bus service on the I-35 W corridor between Denton and Fort Worth which began September 2016

DCTA operates a 21-mile A-train commuter rail system, 11 fixed routes in Denton and Lewisville, Highland Village Connect Shuttle, Access service, campus shuttle service supporting the University of North Texas (UNT) campus and North Central Texas Community College (NCTC), vanpool services and demand response/paratransit services in Frisco and Highland Village. The agency's 59 peak bus vehicles, eight peak rail vehicles, 30 direct employees and 230 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. The system also includes a hike & bike trail that parallels the A-train rail line. The A-train rail trail when completed in 2018 will connect the all five of the DCTA rail stations and link with trail systems of cities along the A-train corridor.

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 operations. This resulted in zero reportable injuries during the construction phase of the A-train project, and as of October 2016 has led to 1,588 days to date without a reportable occupational injury in rail operations.

SERVICES & ACTIVITIES

In 2011, DCTA completed construction of the A-train project, the 21-mile commuter rail line which in addition to the already existing bus service 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.

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 replaced the agency's previously leased 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.

The Rail Safety Improvement Act ("RSIA") of 2008 enacted by the United States Congress and implemented by the Federal Railroad Administration ("FRA") includes among its many provisions the requirement that Positive Train Control ("PTC") be implemented. In October of 2015 DCTA awarded a contract for the design, implementation, testing and commissioning of an Enhanced Automatic Train Control (E-ATC) rail safety enhancement system in order to meet RSIA safety requirements by the federally mandated deadline of December 2018. This will provide DCTA with an enhanced onboard equipment and wayside signal system to protect against over speed operation, switches improperly lined, train to train collision, and incursion into a work zone.

In 2017 DCTA will begin the first phase of a comprehensive safety and risk assessment to continue to improve its focus on agency and system-wide safety and risk management.

OPERATIONS

Guided by the agency's mission to provide safe, customer focused, and efficient mobility solutions for Denton County; DCTA has built ridership on the bus and rail services with the intent of maintaining and building 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 94 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

SERVICES & ACTIVITIES

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.

In June 2016, DCTA awarded a new rail and operations maintenance contract to First Transit to operate and maintain the agency's A-train commuter rail line. First Transit and DCTA's contract agreement, effective October 1, 2016, covers a period of nine years with an additional five-year option.

CUSTOMER SERVICE

DCTA believes all customers are important. The 94 percent satisfaction rating consistently given to DCTA staff during annual customer surveys demonstrates that DCTA translates these beliefs into practice. To maintain service 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. The facility is staffed by on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. It 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.

Improved use of technology is key to customer communications. 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.

DCTA provides passengers with up-to-date service information in the form of Rider Alerts to help keep them informed of any detours, delays, etc. In October 2016, the agency launched GovDelivery, a new email Rider Alert email subscription service, with enhanced features that allows riders to customize the Rider Alerts they receive. The new system also features back-end reporting which identifies service data and trends that can help the agency improve services and enhance the passenger experience.

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

SERVICES & ACTIVITIES

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. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the management team and the Board Finance Committee, 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 and uses of funds. Revenues include fare box revenues, grants, sales tax and anticipated debt issuance. Expenditures include current operating expenditures, capital projects and on-going operating expense associated with the project (if any), and debt service requirements.

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 FY '09 thru FY '15 resulted in an increase in net position of approximately \$205 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 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.

In August 2016, DCTA was awarded the prestigious Annual Achievement of Excellence in Procurement® (AEP) award from the National Procurement Institute, Inc. (NPI). This was the first year that DCTA applied for this award which highlights the innovation, professionalism, e-procurement, productivity, and leadership in the DCTA procurement function.

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 now grown to 40 active vanpools. 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 2016, DCTA completed construction of the first of two phases of the A-train Rail Trail that will connect the train alignment with a complementary bike/pedestrian

SERVICES & ACTIVITIES

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 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 greatly enhances passenger access and also minimizes the dwell time at stations.

WORKFORCE DEVELOPMENT

DCTA recognizes that a key to maintaining a high-level of satisfaction with external customers is by addressing the needs of internal customers. Employee satisfaction has a direct correlation to employee costs and efficiencies. Continuous quality education and training as well as employee satisfaction are major factors for individual advancement and corporate success. DCTA offers development opportunities throughout all levels of the organization to provide a knowledgeable and well-trained workforce dedicated to meeting the growing needs of the community. 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. 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 on the operations team began as bus and rail operators. 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 2016, DCTA completed a market study to review its compensation and benefits structure to ensure that its pay-scale system for employees was competitive with the market and peer agency benchmarks. The Board of Directors has established a policy that a comprehensive compensation and benefits study will be conducted every three years to maintain a competitive structure. This will allow any changes to be addressed as part of the budget process. A tuition reimbursement program was established in 2015 to assist employees interested in pursuing a higher education.

DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, marketing, finance, planning and public administration.

DIVERSITY

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

DCTA and its contractors have clear policies and practices to recruit, hire, train and promote employees without discrimination 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-

SERVICES & ACTIVITIES

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.

The Comprehensive Operational Analysis process demonstrates DCTA's commitment to engaging its diverse stakeholder base in discussions regarding schedules and service levels. To gather feedback on proposed bus service changes, a series of public meeting were held in April and October at various locations in each of the member cities. The communications campaign included on-line survey's, video, various printed communication pieces and a strong social media presence.

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 focused on attracting and retaining riders and demonstrating 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 efforts have focused on 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 FY '16 that have helped increase DCTA brand awareness and promote ridership:

- Launched a newly branded State Fair of Texas campaign which led to 51,629 A-train passenger trips for the duration of the fair compared to 2014's ridership total of 47,983 – a 7.6 percent increase year over year.
- Launched the A-train Fifth Birthday campaign which resulted in an increase in A-train Saturday ridership, extensive media coverage and increased agency brand awareness.
- Increased customer service initiatives with GOResult campaign that resulted in DCTA having the second best customer inquiry close-out statistic that has been reported in the last four years.
- Overhauled the previous company blog to the new Hop on board blog, which averages 750 page views a month compared to 250 average monthly page views for DCTA's previous company blog Transit Talk – a 200 percent increase.
- Successfully placed local, regional, state and national press coverage for DCTA; increasing media placements by 21 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 Stevie Business Awards, Hermes Creative Awards, Marcom Awards, Southwest Transit Association (SWTA) Spotlight Awards and American Public Transportation Association (APTA) AdWheel Awards, and featured in public transportation industry media outlets.

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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 for both bus and rail operations are provided through contracts with First Transit.

DCTA has adopted a set of policies to demonstrate accountability to the public and 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 policies outline the process for evaluating revenue forecasts, contracts for service and the requirement for a budget contingency plan to provide a framework for decision making should an economic downturn occur. Other processes included are accounting and financial reporting, budget development, purchasing, cost allocation, debt management and investments.

In December 2011, 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. In February of 2017 the Board will meet to develop a strategic plan to guide the planning for the next phase of DCTA's service delivery

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 400 community events, hosted more than 100 events and community meetings reaching more than 860,000 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 four 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.
- Partnered with Denton Independent School District (DISD) and City of Denton in April 2016 to launch a pilot bus program to provide better transportation options for Ryan High School students around the Parent Responsibility Zone.
- Established relationships with businesses to create leads for DCTA's Corporate Pass Program and In-transit Marketing Program with further execution efforts planned for Fiscal Year 2017.
- 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 & ACTIVITIES

SERVICES

COMMUTER RAIL SERVICE: A-train

The A-train is a 21-mile commuter rail system connecting Denton County and Dallas County. DCTA has five A-train stations; two in Denton, three in Lewisville and connects with the Dallas Area Rapid Transit (DART) Green Line at their Trinity Mills Station in Carrollton. DCTA's A-train connects Denton County residents with many destinations served by DART, Trinity Rail Express (TRE) and the Fort Worth Transportation Authority (FWTA).

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.

The A-train 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.

DCTA is committed to rail safety and is working diligently to implement positive train control (PTC) by the Federal Railroad Administration deadline of December 31, 2018. In November 2015, DCTA awarded a contract to the GE Transportation Systems/Alstom (GE/Alstom) for implementation of an Enhanced Automatic Train Control system (E-ATC) system. Implementation and full commissioning of the positive train control systems is expected in 2017 – approximately 19 months from the issuance of notice to proceed. DCTA is managing the project with internal staff, an independent Chief Technical Architect and one project manager to oversee the Alstom implementation. The project is expected to be fully implemented ahead of the 2018 deadline.



SERVICE AREA MAP - A-TRAIN



SERVICES & ACTIVITIES

BUS OPERATIONS**LOCAL FIXED - ROUTE SERVICES:**

Passengers have connections to many destinations within Denton and Lewisville via DCTA Connect, the agency's local fixed-route bus service.

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 the University of North Texas (UNT), Texas Woman's University (UNT), as well as schools within the Denton Independent School District (DISD).

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

CONNECT SHUTTLE:

DCTA provides peak-period bus service in Highland Village. The Connect Shuttle operates Monday through Friday from 5 a.m. to 10 a.m. and 3 p.m. to 9 p.m. Passengers who ride the Connect Shuttle can also connect to other DCTA services such as the A-train commuter rail, Lewisville Connect Bus service and North Central Texas College (NCTC) Campus Shuttle.

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 Campus 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 Campus Shuttle is a DCTA service offered in partnership with UNT to provide direct shuttle service to the Denton campus and off campus student-oriented housing. Denton Connect Routes 7, 8, and 9



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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). Denton Connect Routes 4, 5 and 6 serve the area around TWU from the DDTC.

PARATRANSIT & 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.

DCTA began curb-to-curb demand-response transit service in Frisco in 2016. This is for eligible passengers for trips originating within Frisco's incorporated limits to destinations located in Frisco, McKinney and Allen. The agency operates Frisco demand-response service Monday through Friday from 6 a.m. to 6 p.m.

The agency also operates Community On-Demand service in Highland Village for passengers traveling within the designated Community On-Demand Zone. The services is offered Monday through Friday, from 5:30 a.m. to 7 p.m.

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



A decorative graphic consisting of a dark grey background. A thin horizontal line is near the top. Below it, a thick, curved line in a light green color starts from the left edge and curves downwards towards the right. This curve is overlaid on a series of horizontal stripes: a thick yellow stripe, a thin dark blue stripe, a thin light blue stripe, and a thin dark green stripe. The text 'OPERATING BUDGET SUMMARY' is written in a bold, dark grey, sans-serif font, centered horizontally and partially overlapping the stripes.

OPERATING BUDGET SUMMARY

BUDGET PROCESS**BASIS OF BUDGETING**

The Texas Transportation Code Chapter 460 requires DCTA to prepare an annual budget. The budget is a policy tool used by staff and the Board of Directors to establish goals and deliver the services defined in the Service Plan. The budget is 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 fiscal year for DCTA begins October 1st and ends September 30th.

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and 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.

BUDGET PROCESS**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 PROCESS

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.



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

FISCAL YEAR 2016 ACCOMPLISHMENTS

FISCAL YEAR 2016 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

- Coordinated with the NCTCOG to ensure the inclusion of DCTA priorities including the High Intensity Commuter Bus Corridors into the Metropolitan Transportation Mobility 2040 Plan
- Finished Comprehensive Operational Analysis in Lewisville, Denton and Highland Village
- Successfully implemented transit solutions within HV with agency-wide efforts
- Renewed contractual agreements with UNT, NCTC and City of Frisco for contracted transit service
- Received Board approval to set up a capital project for infrastructure development and move forward with the development process
- Partnered with the Fort Worth Transportation Authority on the successful planning and implementation of the North Texas Express commuter bus service along the 35W corridor
- Developed and implemented a pilot program integrating Uber service into the Highland Village and North Lewisville area to improve mobility options through innovative transit solutions

Finance

- Received unqualified “clean” opinion on external audit and Single Audit (OMB Circular A-133) with no management comments for FYE9/30/2015
- Received Government Finance Officers of United States and Canada (GFOA) awards for:
 - Distinguished Budget Award FY16
 - Certificate of Excellence in Financial Reporting FYE 9/30/2015
- Recovered \$642,440 in sales tax as result of audit of sales/use tax remittances and related information
- Fifty- two procurements completed including :
 - Multiple year contracts for large transit buses, auto parts, fluids, repairs, tires
 - Rail Operating and Maintenance Contract
 - Bank Depository Services
 - External Audit Services
 - Various FEMA Flood Repair projects
 - Vehicle Purchases
 - Shortel Phone System
 - Video Production & Professional Photography Services
 - Van Pool Management Services
- Awarded contract for Positive Train Control implementation and commissioning
- Issued 616 purchase orders totaling approximately \$49 million
- In addition to STIP/TIP Program of Projects and related Urbanized Area formula grants activity, the following grant award was received in response to Call for Projects:
 - TxDOT TAP – Lewisville Hike & Bike to complete final remaining gap between Old Town Station to Highland Village Lewisville Lake)- \$2.08 million grant application
- Continued development of a more streamlined Grant Management process consistent with the agency Long-Range Plan
- Quarterly Grant Status Report to Board of Directors
- Implemented results of Compensation and Classification Study in May 2016

FISCAL YEAR 2016 ACCOMPLISHMENTS

- Restructured and streamlined documentation for new hire process

Transit Operations

- FY16 was a significant year of accomplishment for the Operations department. Major progress was made in the implementation of Positive Train Control (PTC) reaching the 90% design phase of the project with full implementation and project completion schedule for FY17
- A long term rail operating and maintenance contract was awarded to First Transit and a smooth transition and contract mobilization was accomplished on time
- An inter-local agreement was established with regional partners for continued maintenance and support of regional shared services
- New express bus service was launched linking the University of North Texas and other important stops in Denton to the downtown Fort Worth intermodal transportation center (ITC)
- In FY16, DCTA successfully transitioned portions of the bus operations from the Denton bus operating facility to the Lewisville, rail facility transitioning which will support both bus and rail operations to reduce operating expenses
- Significant services changes in both Lewisville and Highland Village (HV) were implemented including same day on-demand shuttle services in HV
- Transit services in Frisco, Texas were established to serve citizens of Frisco. Transit services are delivered to citizens within the city of Frisco and to destinations in McKinney and Allen Texas
- Significant progress was made working with FEMA on repairs to the A-train system resulting from major flood damage in FY15
- DCTA completed construction of a pedestrian and bike trail from Hebron station to Old Town station as part of a multi-phased project to connect Lewisville to Denton along the A-train corridor
- DCTA participated in a regional farebox procurement that will enable DCTA, the Fort Worth Transportation Authority and DART the ability to purchase fareboxes and related equipment and services

Marketing & Communications

- Implemented a successful strategic marketing and communications plan to act as a roadmap throughout the year
- Executed a total of seven traditional marketing and communications campaigns resulting in 14.8M online impressions, 8.7M print impressions, and an average click through rate of .27% (industry standard is .06%). Supplemental social media campaigns were completed in addition to traditional campaigns
- Executed comprehensive GOREquest campaign that resulted in 1.35M online impressions with a .59% click through rate (industry standard is .06%), and a 15.2% decrease average days to closeout a request and a 6.7% decrease in complaints compared to 2015
- Successfully increased media relations placements by 30.7% (600 stories), resulting in 208.9M impressions (up 94% compared to FY '15), and a publicity value of more than \$774K. Placements included local, regional and national outlets
- Successfully completed bi-annual Community Survey in September 2016 with 1,802 surveys collected which is an 84.6% increase compared to the 2014 survey
- Successfully developed outreach database that includes community organizations, city venues, schools, public centers, and apartment complexes to increase information distribution within Denton County

FISCAL YEAR 2016 ACCOMPLISHMENTS

- Developed a comprehensive brand standards manual and social media guidelines manual that are utilized internally and externally to maintain brand consistency
- Increased overall social media content significantly to engage passengers and drive likes and followers. Increased Facebook posts by 66%, Twitter posts by 71%, YouTube posts by 233%, LinkedIn posts by 200%, and blog posts by 82% compared to 2015
- Developed high-quality promotional and educational agency videos to increase awareness, share important messaging and drive smart and considerate riders
- Developed Wheels & Rails, an internal newsletter that utilizes the content developed for the Messaging Map and Wellness Committee. The addition of this newsletter has created time efficiencies for staff and a method for presenting information pertinent to staff
- Launched a Corporate Pass Program and developed a business database of 1,885 businesses, made 278 cold calls, had 345 visitors to the internal webpage, sent out 2,684 direct mailers, and sent out 10 information kits to interested parties
- Worked closely with planning and operations to successfully launch services in Frisco, Highland Village, and along the I-35W corridor

CHANGE IN NET POSITION - BUDGET BASIS

	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised Budget	FY 2017 Budget
Operating Revenues				
Passenger Fares	\$ 1,478,838	\$ 1,542,909	\$ 1,542,909	\$ 1,446,008
Contract Service Revenue	2,935,371	3,263,687	3,534,517	3,649,987
Total Operating Revenues	\$ 4,414,209	\$ 4,806,596	\$ 5,077,426	\$ 5,095,995
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 8,339,011	\$ 9,394,250	\$ 9,418,015	\$ 11,032,926
Services	2,722,176	2,424,784	2,531,883	2,606,146
Materials & Supplies	2,528,740	3,783,284	2,487,522	3,399,374
Utilities	472,391	511,361	511,361	481,264
Insurance, Casualties & Losses	780,111	800,215	800,215	854,194
Purchased Transportation Services	10,080,919	11,633,624	10,633,624	9,563,354
Miscellaneous	186,598	281,347	278,432	385,405
Leases & Rentals	124,645	216,183	144,183	169,497
Depreciation	9,337,505	9,981,205	10,017,196	10,339,740
Total Operating Expenses	\$ 34,572,095	\$ 39,026,253	\$ 36,822,431	\$ 38,831,900
Operating Income / (Loss)	\$ (30,157,886)	\$ (34,219,657)	\$ (31,745,005)	\$ (33,735,905)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 23,261,746	\$ 23,067,404	\$ 23,067,404	\$ 24,624,601
Net Investment Income / (Expenses)	24,772	20,000	20,000	40,000
Long-Term Debt Interest / (Expense)	(1,211,899)	(1,156,422)	(1,156,422)	(1,098,412)
Non-Operating Revenues / (Expenses)	147,360	1,500	1,500	1,500
Federal Grants & Reimbursements	6,227,397	10,753,357	12,625,652	15,360,732
State Grants & Reimbursements	1,395,467	-	227,029	2,844,087
Debt Issuance	-	-	-	-
Total Non-Operating Revenue	\$ 29,844,844	\$ 32,685,839	\$ 34,785,163	\$ 41,772,508
Change in Net Position	\$ (313,042)	\$ (1,533,818)	\$ 3,040,158	\$ 8,036,603
Net Position - Beginning of Year:	\$ 322,189,945	\$ 317,986,292	\$ 317,986,292	\$ 304,566,263
Net Position - End of Year:	\$ 321,876,903	\$ 316,452,474	\$ 321,026,450	\$ 312,602,866
<i>Transfer to Capital Projects</i>	<i>\$ 3,890,611</i>	<i>9,271,359</i>	<i>16,460,187</i>	<i>24,793,967</i>
Net Position After Capital Project Transfer	\$ 317,986,292	\$ 307,181,115	\$ 304,566,263	\$ 287,808,899

Net Position reflects the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

**Fiscal Year 2017 Denton County Transportation Authority Budget
Statement of Cash Flows**

	FY 2016	FY 2017
Estimated Beginning Cash Balance	25,789,446	21,629,394
Operating Activities		
Operating Revenue	\$ 5,077,426	\$ 5,095,995
Sales Tax Revenue	23,067,404	24,624,601
G&A Operating Expenses*	(4,869,450)	(5,452,296)
Rail Operating Expenses*	(12,434,690)	(12,015,697)
Contract Bus (TMDC) Operating Expenses*	(9,501,097)	(11,124,167)
Total Operating Activities	<u>\$ 1,339,593</u>	<u>\$ 1,128,436</u>
Investing Activities		
G&A Capital Expenditure	\$ (579,838)	\$ (2,876,815)
Rail Capital Expenditure	(9,723,638)	(18,657,835)
Bus Capital Expenditure	(1,979,872)	(3,259,317)
Non-Operating (Expense)/Income	1,500	1,500
Investment Income	20,000	40,000
Federal / State Grants & Reimbursements	9,498,626	18,204,819
Total Investing Activities	<u>\$ (2,763,222)</u>	<u>\$ (6,547,648)</u>
Financing Activities		
Debt Issuance	\$ -	\$ -
Debt Payment	(2,736,423)	(2,743,412)
Total Financing Activities	<u>\$ (2,736,423)</u>	<u>\$ (2,743,412)</u>
Net Increase (Decrease) in Cash	<u>\$ (4,160,052)</u>	<u>\$ (8,162,624)</u>
Estimated Ending Cash Balance	<u><u>\$ 21,629,394</u></u>	<u><u>\$ 13,466,770</u></u>

* Operating expenses net of depreciation expense

STATEMENT OF CASH FLOWS

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.

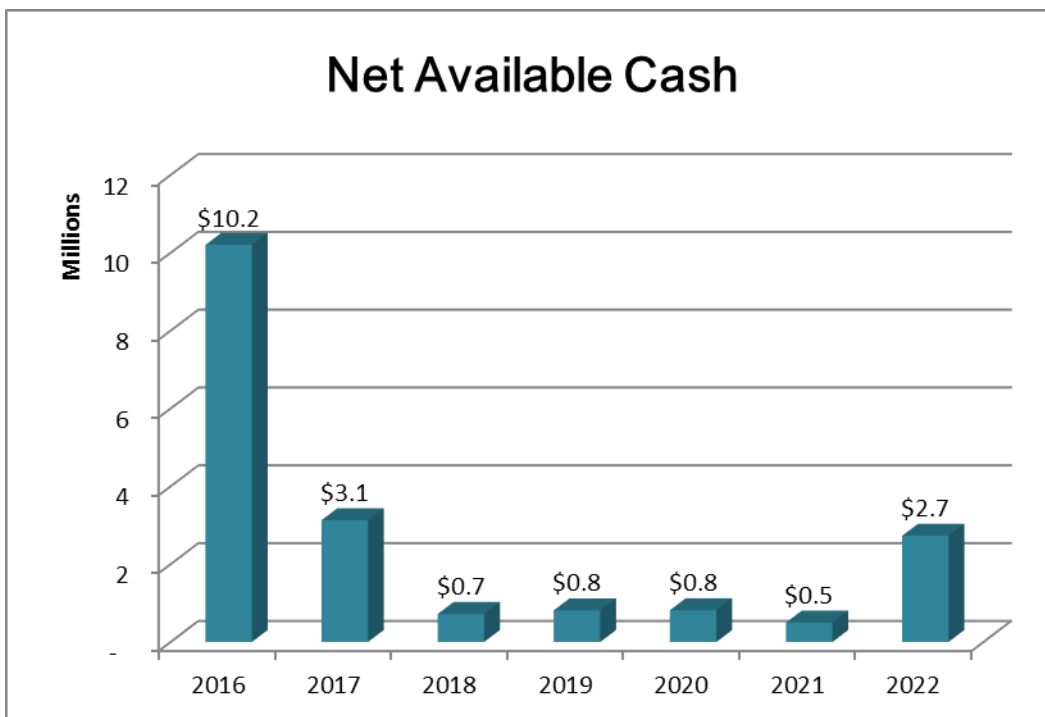
Reserve Fund Policies

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:

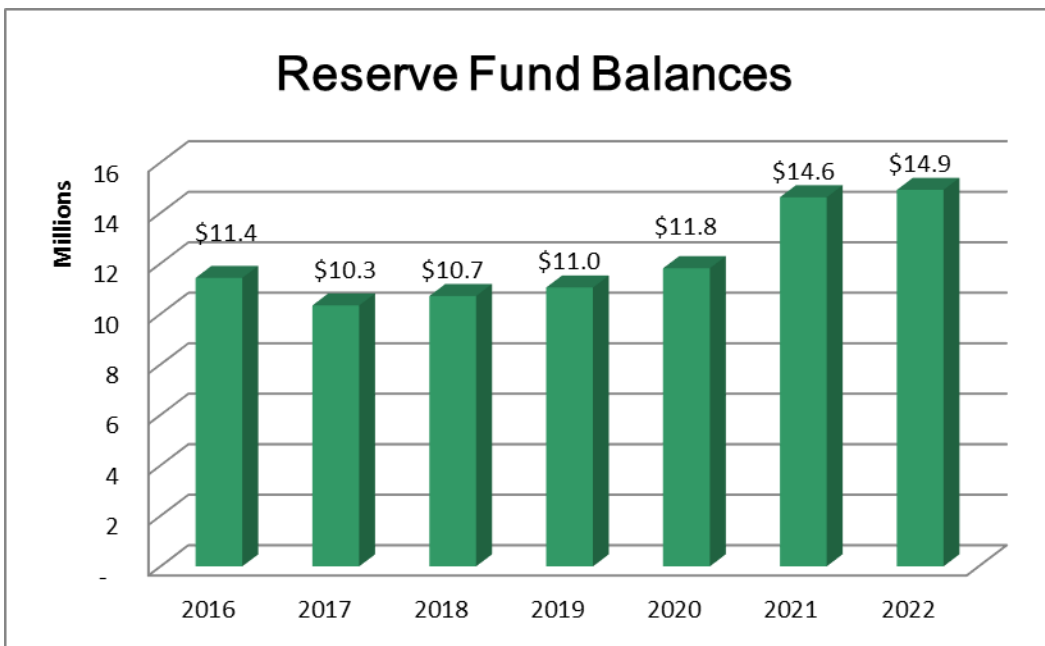
- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unreserved/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 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.

STATEMENT OF CASH FLOWS



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

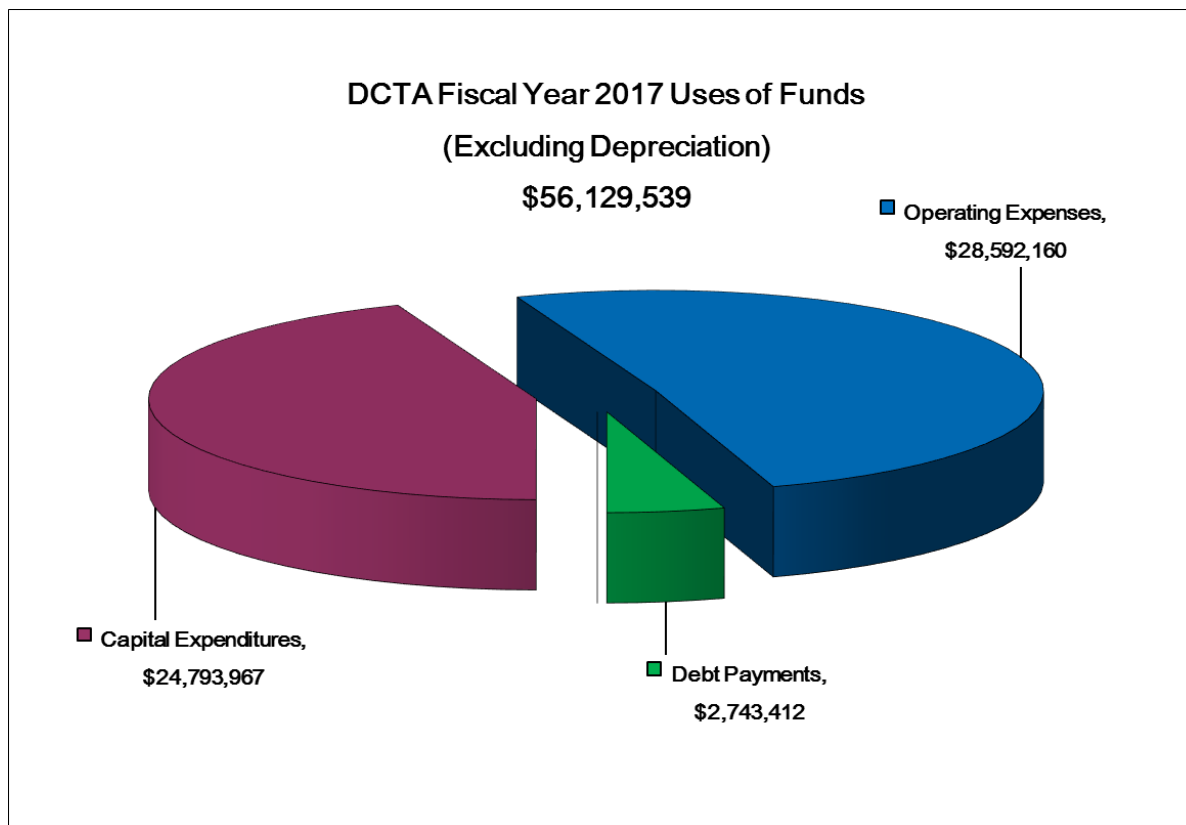
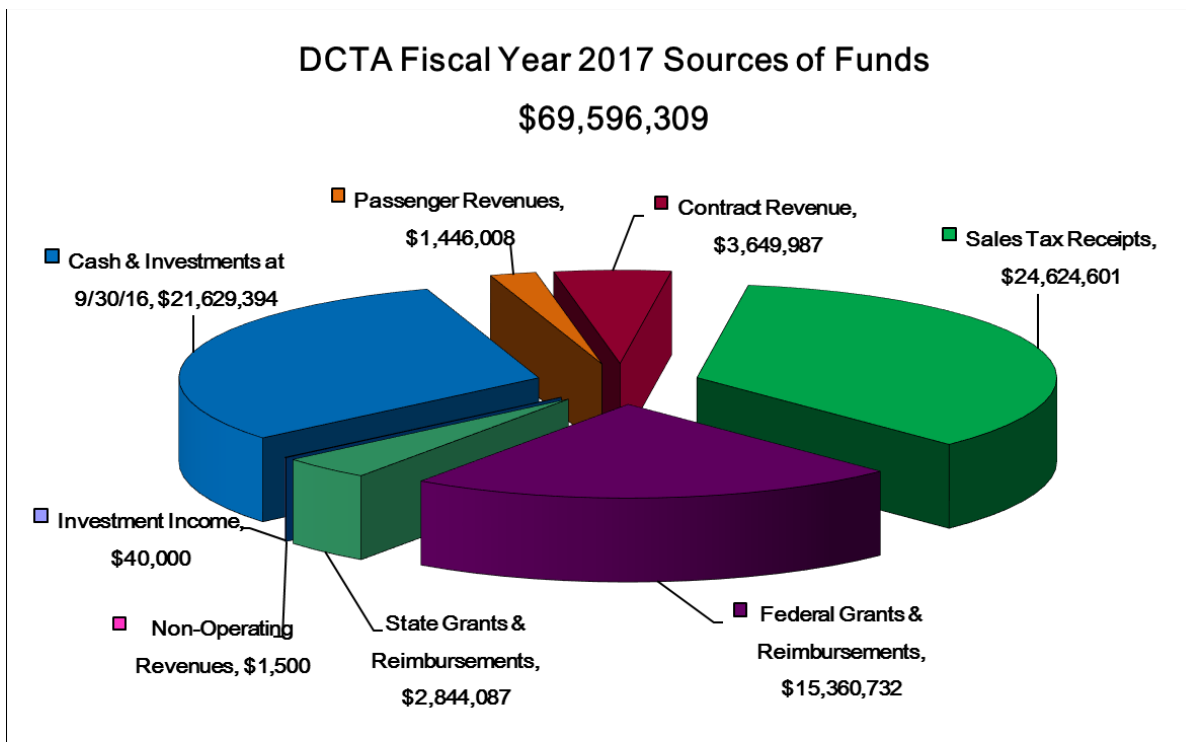


Reserve fund balances include Sales Tax Stabilization, Fuel Stabilization and Capital Infrastructure Fund.

STATEMENT OF CASH FLOWS

	<i>Projected 2016</i>	2017	2018	2019	2020	2021	2022
OPERATING REVENUES							
Beginning Fund Balance:	\$ 25,789,446	\$ 21,629,394	\$ 13,466,768	\$ 11,428,630	\$ 11,859,325	\$ 12,625,574	\$ 15,119,754
Bus Operating Revenue	\$ 4,202,748	\$ 4,286,858	\$ 4,402,726	\$ 4,521,943	\$ 4,709,575	\$ 4,836,440	\$ 4,966,966
Rail Operating Revenue	874,678	809,137	817,228	825,401	916,195	925,357	934,610
NON-OPERATING REVENUES							
Sales Tax Revenue	23,067,404	24,624,601	25,609,585	26,633,968	27,699,327	28,807,300	29,959,592
Formula Grants (Operating)	3,786,025	3,492,246	5,703,755	5,765,515	6,241,517	5,336,096	4,981,394
Interest Income-Non RTRFI Funds	20,000	40,000	40,400	34,286	35,578	37,877	45,359
Misc. Revenue	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Restricted RTRFI Interest Income							
Total Revenues	31,952,355	33,254,342	36,575,195	37,782,614	39,603,693	39,944,570	40,889,422
OPERATING EXPENSES							
Bus Operating Expense	9,501,097	11,124,167	11,904,182	12,439,021	12,881,768	13,336,362	13,816,561
Rail Operating Expense	12,434,690	12,015,697	12,554,073	13,053,869	13,337,162	13,798,195	14,145,239
G&A Operating Expense	4,869,450	5,452,296	5,505,807	5,694,385	5,890,173	6,093,469	6,304,587
NON-OPERATING EXPENSES							
Non-Operating (Income) / Expense							
Total Expenses	26,805,237	28,592,160	29,964,062	31,187,275	32,109,102	33,228,025	34,266,387
NET INCOME	5,147,118	4,662,182	6,611,133	6,595,338	7,494,590	6,716,545	6,623,035
CAPITAL OUTLAY							
Bus Capital Expenditure	268,872	659,317	250,000	1,200,000			
Bus Fleet Replacement Expense	1,711,000	2,800,000	3,300,000	2,400,000	2,500,000	2,300,000	2,000,000
Professional Services / Technology Improve	579,838	976,815	223,407	150,000	150,000	150,000	150,000
Stadler Fleet (Vehicles)	190,000	-	-	-	-	-	-
Real Estate	-	1,900,000	-	-	-	-	-
Right of Way	-	139,657	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	271,437	3,845,873	-	-	-	-	-
Rail Station Improvements	577,017	169,161	-	-	-	-	-
Rail MOW	33,510	-	-	-	-	-	-
Rail MOE	812,356	-	-	-	-	-	-
Rail Capital Maintenance	1,117,000	3,970,430	3,330,999	2,000,000	3,293,971	2,000,000	2,646,388
Disaster Recovery - 2015 Floods	1,227,809	2,846,242	-	-	-	-	-
Rail Mobilization	2,119,517	-	-	-	-	-	-
Positive Train Control	3,374,992	7,486,472	5,858,677	-	-	-	-
Total Capital Outlay	12,283,347	24,793,969	12,963,087	5,750,000	5,943,971	4,450,000	4,796,388
CAPITAL SOURCES							
New Money (Debt Issuance)							
RTRFI/RTC Funds	1,823,881	5,989,178	4,686,942				
FEMA/Insurance Reimbursements	1,029,065	2,134,682					
Formula Grants (Capital)	2,859,655	6,588,713	2,384,941	2,350,341	1,994,998	3,023,498	3,503,748
Total Capital Sources	5,712,601	14,712,572	7,071,882	2,350,341	1,994,998	3,023,498	3,503,748
DEBT SERVICE							
2008 Issue (ST) Debt Service							
2009 Refunding (ST) Debt Service	1,718,387	1,713,687	1,717,590	1,714,697	1,715,209	1,713,925	1,715,845
2011 Contractual Obligations (Vehicles)	763,955	770,183	775,785	785,761	794,955	808,366	815,838
2011 Contractual Obligations (PTC)	254,081	259,542	264,691	264,526	269,205	273,571	272,624
2018 Contractual Obligations (PTC)	-	-	-	-	-	-	-
Total Debt Service	2,736,423	2,743,412	2,758,066	2,764,984	2,779,369	2,795,862	2,804,307
Internal Debt Service Coverage:	1.88	1.70	2.40	2.39	2.70	2.40	2.36
Outstanding Bond Principal as of September	\$ 30,385,000	\$ 28,740,000	\$ 27,020,000	\$ 25,230,000	\$ 23,360,000	\$ 21,405,000	\$ 19,370,000
Ending Cash Balance:	21,629,394	13,466,768	11,428,630	11,859,325	12,625,574	15,119,754	17,645,842
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserv	6,701,309	7,148,040	7,491,015	7,796,819	8,027,276	8,307,006	8,566,597
Less Sales Tax Stabilization Fund	692,022	738,738	768,288	799,019	830,980	864,219	898,788
Less Fuel Stabilization Fund	72,582	450,000	450,000	450,000	450,000	450,000	450,000
Less Capital/Infrastructure	3,961,050	2,000,000	2,000,000	2,000,000	2,500,000	5,000,000	5,000,000
Net Available Cash	10,202,431	3,129,990	719,327	813,487	817,318	498,529	2,730,458

SOURCES AND USES OF FUNDS



OPERATING BUDGET BY CLASSIFICATION (INCLUDING DEPRECIATION)

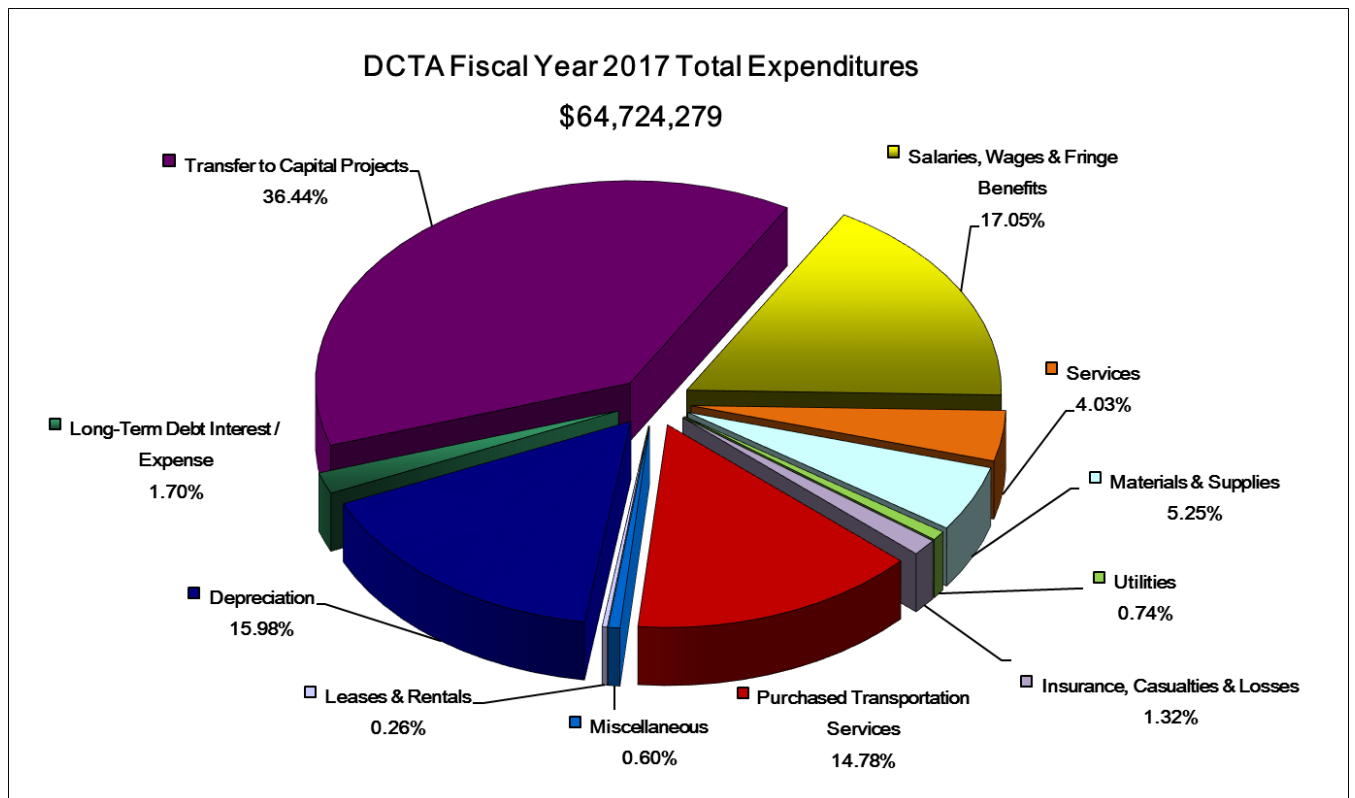
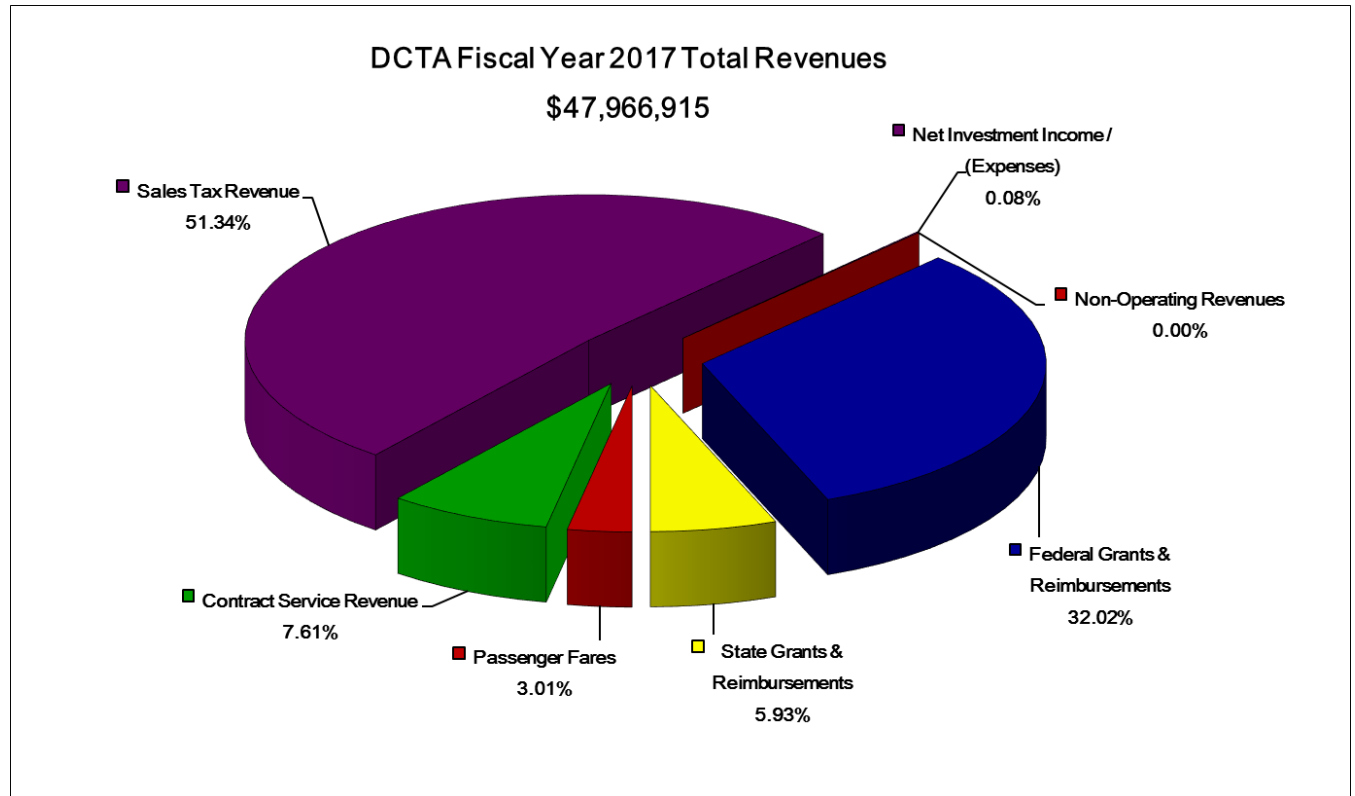
SUMMARY (millions)

	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised Budget	FY 2017 Budget	% CHANGE FY 17 to FY 16 Rev Budget
TOTAL REVENUES	\$ 35.5	\$ 38.6	\$ 41.0	\$ 48.0	16.9%
TOTAL EXPENSES	\$ 39.7	49.5	54.4	64.7	18.9%
ANNUAL SURPLUS (DEFICIT)	\$ (4.2)	\$ (10.8)	\$ (13.4)	\$ (16.8)	24.9%

DETAIL

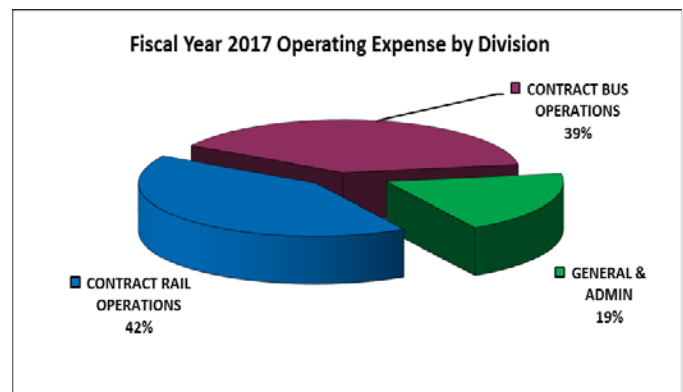
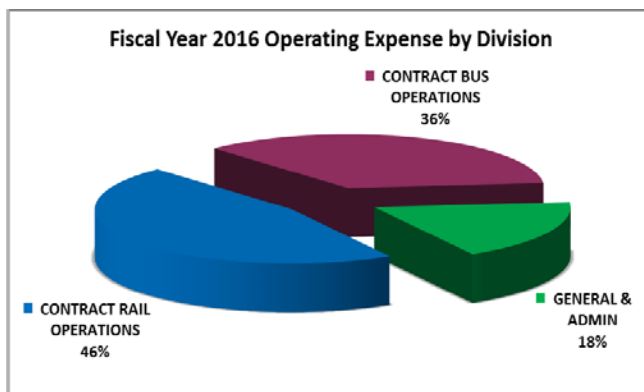
	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised Budget	FY 2017 Budget	\$ CHANGE FY 17 to FY 16 Rev Budget
REVENUES					
Passenger Fares	\$ 1,478,838	\$ 1,542,909	\$ 1,542,909	\$ 1,446,008	\$ (96,901)
Contract Service Revenue	2,935,371	3,263,687	3,534,517	3,649,987	\$ 115,470
Subtotal Operating Revenue	4,414,209	4,806,596	5,077,426	5,095,995	18,569
Sales Tax Revenue	23,261,746	23,067,404	23,067,404	24,624,601	1,557,197
Net Investment Income / (Expenses)	24,772	20,000	20,000	40,000	20,000
Debt Issuance	-	-	-	-	-
Non-Operating Revenues	200,582	1,500	1,500	1,500	-
Federal Grants & Reimbursements	6,227,397	10,753,357	12,625,652	15,360,732	2,735,080
State Grants & Reimbursements	1,395,467	-	227,029	2,844,087	2,617,058
Subtotal Non-Operating Income	31,109,964	33,842,261	35,941,585	42,870,920	6,929,335
TOTAL REVENUES	\$ 35,524,173	\$ 38,648,857	\$ 41,019,011	\$ 47,966,915	\$ 6,947,904
EXPENSES					
Salaries, Wages & Fringe Benefits	\$ 8,339,011	\$ 9,394,250	\$ 9,418,015	\$ 11,032,926	1,614,911
Services	2,722,176	2,424,784	2,531,883	2,606,146	74,263
Materials & Supplies	2,528,740	3,783,284	2,487,522	3,399,374	911,852
Utilities	472,391	511,361	511,361	481,264	(30,097)
Insurance, Casualties & Losses	780,111	800,215	800,215	854,194	53,979
Purchased Transportation Services	10,080,919	11,633,624	10,633,624	9,563,354	(1,070,270)
Miscellaneous	186,598	281,347	278,432	385,405	106,973
Leases & Rentals	124,645	216,183	144,183	169,497	25,314
Depreciation	9,337,505	9,981,205	10,017,196	10,339,740	322,544
Subtotal Operating Expenses	34,572,095	39,026,253	36,822,431	38,831,900	2,009,469
Long-Term Debt Interest / Expense	1,211,899	1,156,422	1,156,422	1,098,412	(58,010)
Non-Operating Expenses	53,221	-	-	-	-
Subtotal Non-Operating Expenses	1,265,120	1,156,422	1,156,422	1,098,412	(58,010)
TOTAL EXPENSES	\$ 35,837,215	\$ 40,182,675	\$ 37,978,853	\$ 39,930,312	\$ 1,951,459
<i>Transfer to Capital Projects</i>	<i>3,890,611</i>	<i>9,271,359</i>	<i>16,460,187</i>	<i>24,793,967</i>	<i>8,333,780</i>
ANNUAL SURPLUS (DEFICIT)	\$ (4,203,653)	\$ (10,805,177)	\$ (13,420,029)	\$ (16,757,364)	\$ (3,337,335)

REVENUE AND EXPENDITURE CHARTS



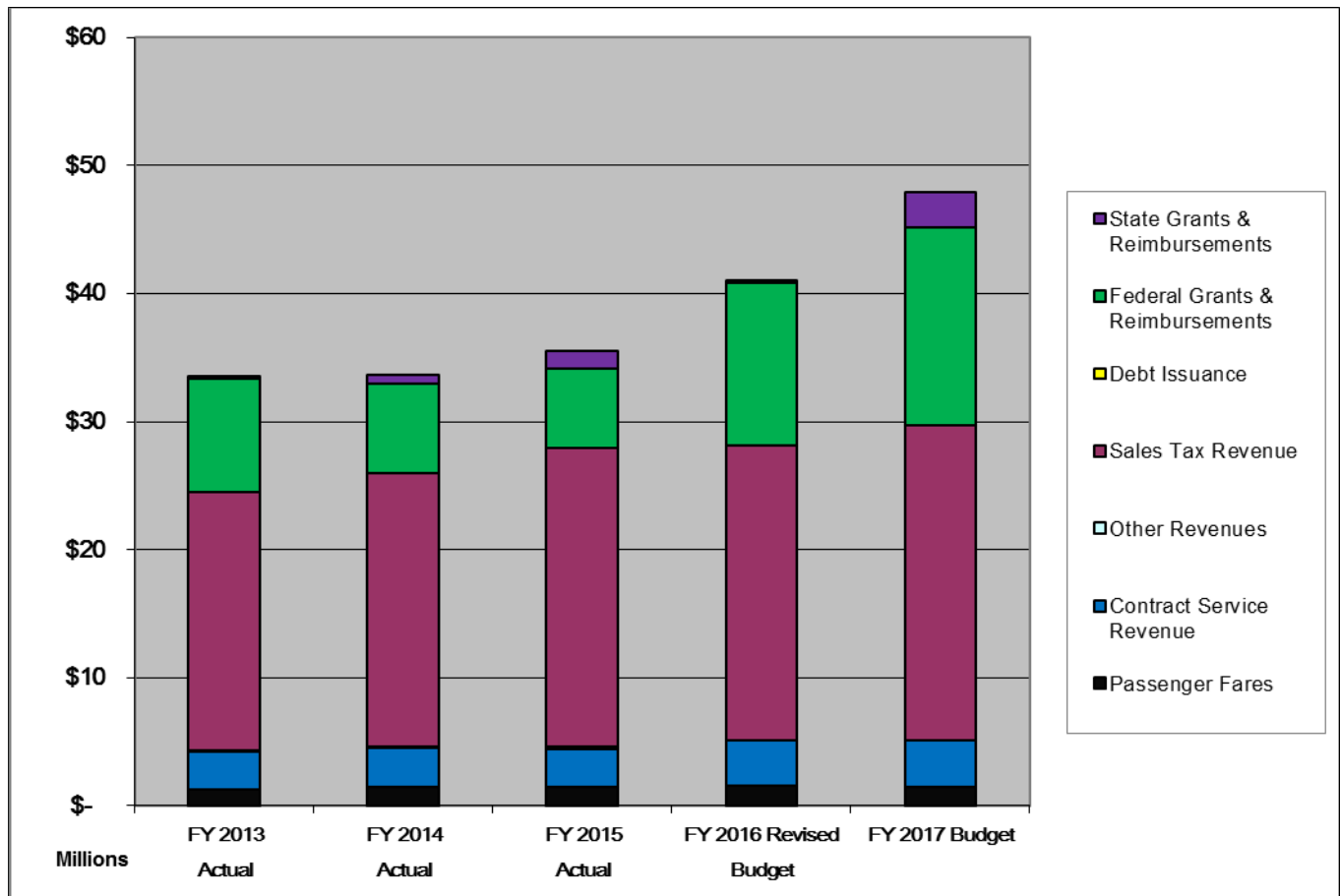
OPERATING EXPENSES BY DIVISION AND DEPARTMENT

OPERATING EXPENSES	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised Budget	FY 2017 Budget
GENERAL AND ADMINISTRATIVE				
President	\$ 925,359	\$ 920,656	\$ 937,608	\$ 840,857
Finance	952,707	1,248,548	1,250,300	1,378,590
Board of Directors	7,572	34,136	24,136	31,736
Communications and Marketing	626,475	1,028,782	1,006,711	1,253,255
Transit Operations	897,286	1,196,784	1,265,346	1,391,033
Planning	174,669	283,628	249,406	373,087
Human Resources	92,869	183,224	135,940	183,738
TOTAL GENERAL & ADMIN	\$ 3,676,937	\$ 4,895,758	\$ 4,869,446	\$ 5,452,296
RAIL SERVICES (THIRD PARTY CONTRACT)				
Rail Services	\$ 13,113,557	\$ 14,209,448	\$ 12,434,690	\$ 11,915,697
TOTAL RAIL SERVICES	\$ 13,113,557	\$ 14,209,448	\$ 12,434,690	\$ 11,915,697
BUS SERVICES (THIRD PARTY CONTRACT)				
Administration	\$ 848,024	\$ 928,966	\$ 1,026,851	\$ 969,989
Connect Service	2,337,778	2,591,474	2,283,674	2,676,780
UNT Contract Service	1,797,053	2,178,858	1,911,446	2,141,843
Access Service	592,976	800,344	737,825	686,341
North Texas Express	-	-	-	450,000
Maintenance	1,429,874	1,727,054	1,687,189	2,008,745
Supervisors & Dispatch	809,890	932,821	920,321	949,601
NCTC Contract Service	124,679	181,030	151,709	225,057
Frisco Contract Service	-	-	182,790	251,238
Customer Service (DDTC)	503,824	599,295	599,295	764,573
TOTAL BUS SERVICES	\$ 8,444,097	\$ 9,939,842	\$ 9,501,100	\$ 11,124,167
<i>Total Depreciation</i>	<i>\$ 9,337,505</i>	<i>\$ 9,981,205</i>	<i>\$ 10,017,196</i>	<i>\$ 10,339,740</i>
TOTAL OPERATING EXPENSES	\$ 34,572,095	\$ 39,026,253	\$ 36,822,431	\$ 38,831,900



REVENUE SOURCES - FIVE YEAR TREND

REVENUE SOURCE	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Revised Budget	FY 2017 Budget
Passenger Fares	\$ 1,265,685	\$ 1,454,751	\$ 1,478,838	\$ 1,542,909	\$ 1,446,008
Contract Service Revenue	2,980,804	3,061,389	2,935,371	3,534,517	3,649,987
Sales Tax Revenue	20,209,051	21,367,086	23,261,746	23,067,404	24,624,601
Net Investment Income	32,137	21,100	24,772	20,000	40,000
Non-Operating Revenues	52,222	81,520	200,582	1,500	1,500
Federal Grants & Reimbursements	8,859,377	7,025,190	6,227,397	12,625,652	15,360,732
State Grants & Reimbursements	163,710	648,939	1,395,467	227,029	2,844,087
TOTAL REVENUES	\$ 33,562,986	\$ 33,659,975	\$ 35,524,173	\$ 41,019,011	\$ 47,966,915



BUDGET ASSUMPTIONS**REVENUE**

Department specific revenue budgets, such as Passenger Revenue are the responsibility of the particular department since the staff in the respective departments are 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 a 6% decrease over the FY 2016 revised budget. This decrease is based on current ridership trends for rail and bus service and is based on a 12-month rolling average.

CONTRACT SERVICE REVENUE

Contract service revenue consists of revenue or income related to providing transit services to UNT, NCTC, and Frisco on a contract basis. The 2017 budget reflects a 3% increase (or \$115,470) over the 2016 revised budget and is based on current contract rates for each service.

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 2017 budget year is a 7% increase over the revised budget for FY16. This overall increase is based on a 4% increase of a forecasted FY 2016 which consists of actual sales tax dollars received for the months of October 2015 thru April 2016 and remaining months of May thru September at FY16 budget.

NET INVESTMENT INCOME

Net investment income represents DCTA earnings from investments net of interest expense. In FY 2017 due to current 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 2017, DCTA anticipates \$6.3 million in operating grants. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, vanpool program, and travel training. DCTA anticipates \$9.1 million in federal capital grants, which reflects an increase of \$3 million over the FY 2016 revised budget. This increase is for the additional funding for the Positive Train Control capital project; bringing total drawdowns for this project to \$6 million for FY 2017.

BUDGET ASSUMPTIONS

STATE GRANTS & REIMBURSEMENTS

State grant revenue includes funds from the Texas Department of Transportation (TxDOT) STEP grants. The agency received funds previously toward the Lewisville Hike and Bike Trail capital project and was awarded an additional \$2.1M in 2016 to fund the Eagle Point section of the trail along the rail corridor.

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, and 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 First Transit beginning in FY17. 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 2017 budget reflects a 17% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) Addition of 1.5 FTE administrative support staff and 2 FTE in bus operations staff; (3) adjustment of two positions; (4) 10% increase in health benefits for DCTA; 15% increase for TMDC; (5) TMDC bus operator's salary increases based on the negotiated union contract.

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 compensation and benefits market study will be conducted every three years with a goal to stay within mid-point of the market range. In spring 2016, the agency conducted another market review and salary adjustments were made at revised budget to maintain that position. Funds are budgeted annually to maintain that position and the FY17 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$60k (DCTA staff). The agency plans to transition the Payroll & Benefits Coordinator into a full time position (with benefits), add 2 Marketing Interns as well as 2 Mechanics in FY 2017. Compared to FY16 Revised Budget, two current positions have

BUDGET ASSUMPTIONS

been included for the full 12 months in 2017 – the Senior Planner position (filled in July 2016) and the Program Manager-Grants position (currently vacant).

This budget incorporates an increase of 10% and 15% in health care benefits for DCTA and TMDC respectively based on the current plan design. 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 \$16.28 to \$16.61/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 2016 revised budget by 3% due to the redesign of the website and GIS Maps/Timetables for the agency. These account for an increase of \$110k for FY17 and will have minimal impact in future years.

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2017 budget for this category is higher than 2016 revised budget by \$912 thousand (36%). This variance can be attributed to the increased fuel rate. At FY16 revised budget, the agency captured realized savings from rail and bus fuel accounts and transferred these savings into the Capital Infrastructure Fund. In FY17, the fuel is budgeted at \$2.75/gallon and \$3.00/gallon respectively for rail and bus operations.

UTILITIES

This expense category includes gas, electric and communication expenses. The 2017 budget reflects a decrease of \$30 thousand compared to the FY 2016 revised budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category budget item reflects an increase of \$54 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, and emergency dispatch.
- DCTA entered into a contract with First Transit for rail operations and maintenance in FY17. This contract includes management fees, maintenance of way, vehicle maintenance, train hours and car

BUDGET ASSUMPTIONS

miles. Rail purchased transportation decreased 10% over FY16 revised budget based on the new contract rate.

- Vanpool services are also included under purchased transportation. The agency is anticipating significant growth in the program but is showing a decrease of 9% in expense due to the lower lease rate. In FY17, the vehicle expense lease portion of the program will be funded 50% by the Vanpool riders and 50% by grants. This year, fuel expense will be funded in total 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 \$107 thousand in FY17 due to the following items:

- Training opportunities for additional administrative staff
- Training for operations staff
- Annual Tuition Reimbursement Program of \$20k
- Texas Transit Association Membership of \$9,250
- North Central Texas Regional Certification Agency (NCTRCA) Membership of \$30k

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 2017 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 2017 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 46-48 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 2017, DCTA is expecting \$1,500 for fare citation fines.

DEBT SCHEDULE

Sales Tax Revenue Refunding Bonds, Series 2009
\$20,890,000

Date: December 17, 2009

Interest: Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.

Purpose: 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.

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>
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

DEBT SCHEDULE

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:

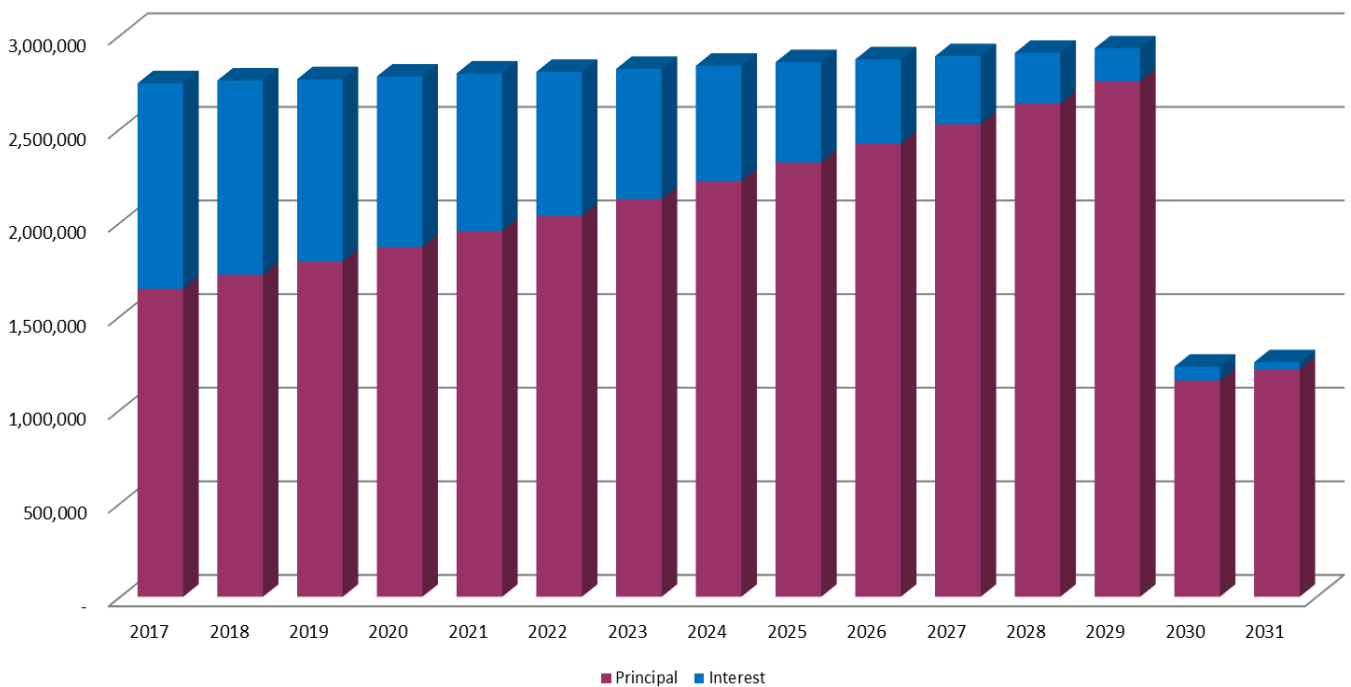
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-	-	-
2012	-	450,408	450,408
2013	-	450,408	450,408
2014	-	450,408	450,408
2015	555,000	450,408	1,005,408
2016	585,000	433,036	1,018,036
2017	615,000	414,725	1,029,725
2018	645,000	395,476	1,040,476
2019	675,000	375,287	1,050,287
2020	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

DEBT SCHEDULE

Outstanding Debt Schedule as of 9/30/2016

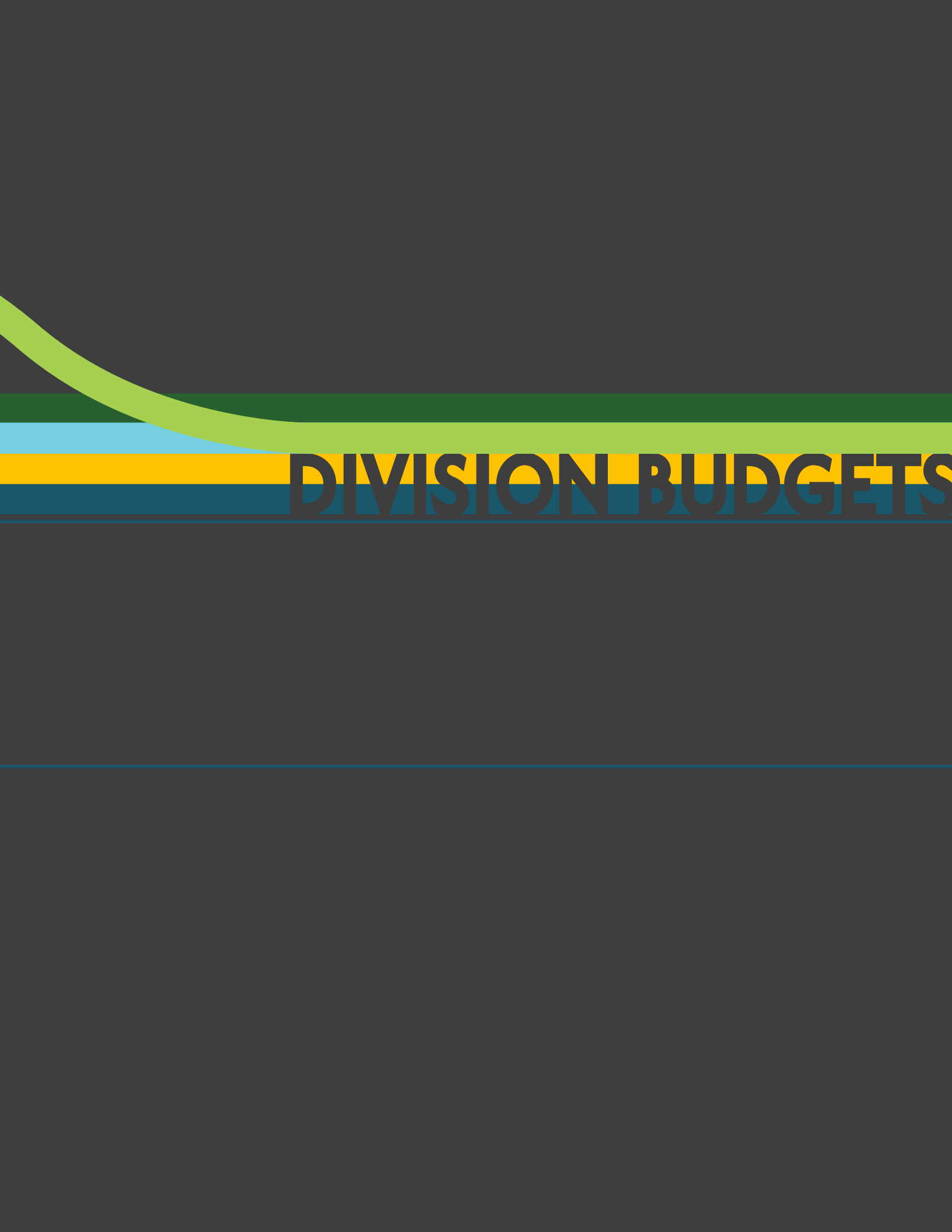
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,066	2,758,066
2019	1,790,000	974,984	2,764,984
2020	1,870,000	909,369	2,779,369
2021	1,955,000	840,862	2,795,862
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,819	2,819,819
2024	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	30,385,000	8,850,425	39,235,425

Outstanding Debt Service as of 9/30/2016



FULL-TIME EQUIVALENT (FTE) COMPARISON

Division Summary	FY 2015	FY 2016	FY 2017	Variance
General & Administrative Division				
President Department				
<i>President</i>	1.00	1.00	1.00	-
<i>Executive Assistant</i>	1.00	-	-	-
<i>Administrative Assistant</i>	1.00			
<i>Administrative Assistant</i>	1.00			
<i>Interns</i>	1.00	0.50	0.50	-
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	1.00	-
<i>Program Manager - Grants</i>	-	1.00	1.00	-
<i>Data & Business Analyst</i>	-	0.50	-	(0.50)
Marketing & Communications Department				
<i>VP Marketing & Communications</i>	1.00	1.00	1.00	-
<i>Senior Marketing Specialist</i>	1.00	1.00	1.00	-
<i>Senior Communications Specialist</i>	1.00	1.00	1.00	-
<i>Senior Public Information Specialist</i>	1.00	1.00	1.00	-
<i>Administrative Assistant</i>	-	1.00	1.00	-
<i>Administrative Assistant</i>	-	1.00	1.00	-
<i>Community Relations Intern</i>	-	0.50	0.50	-
<i>Social Media Intern</i>	-	-	0.50	0.50
<i>Marketing Intern</i>	-	-	0.50	0.50
Transit Operations Department				
<i>Chief Operating Officer</i>	1.00	1.00	1.00	-
<i>Vacant</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>AVP, Bus Operations & Maintenance</i>	-	1.00	1.00	-
<i>Data & Business Analyst</i>	-	0.50	1.00	0.50
Strategic Planning & Development Department				
<i>VP Planning & Development</i>	1.00	1.00	1.00	-
<i>Senior Planner</i>	-	1.00	1.00	-
Human Resources Department				
<i>Payroll & Benefits Coordinator</i>	1.00	0.50	1.00	0.50
Rail Operations Division				
Rail Development Department				
<i>AVP, Rail Operations & Maintenance</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	25.75	28.25	29.75	1.50
Third Party Contract Operations				
<i>Contracted Rail Services (First Transit)</i>	49.00	50.00	50.75	0.75
<i>Contracted Bus Services (TMDC)</i>	140.50	152.00	179.00	27.00
Total Third Party Contract Operations	189.50	202.00	229.75	27.75



DIVISION BUDGETS

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

PRESIDENT / BOARD

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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
<u>PRESIDENT</u>					
Salary, Wages & Benefits	\$ 491,540	\$ 400,504	\$ 312,037	\$ 286,763	\$ 306,207
Services	573,733	283,128	353,009	395,235	278,322
Materials & Supplies	65,560	30,568	27,704	27,704	25,632
Utilities	12,888	22,757	38,400	38,400	27,600
Insurance & Casualties	-	-	-	-	-
Miscellaneous	60,945	79,869	115,666	105,666	110,851
Leases & Rentals	311,708	116,104	107,976	107,976	123,981
Depreciation	(1,778)	-	33,333	33,333	28,333
Total Operating Expense	\$ 1,514,597	\$ 932,930	\$ 988,125	\$ 995,077	\$ 900,926
Full-Time Equivalents	5.5	5.0	1.5	1.5	1.5

MATERIAL BUDGET ITEMS:

- Pay plan adjustment of \$25 thousand included in 2017 budget
- Reduction in legal fees for FY17

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY17 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 	

President	
FY16 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> <ul style="list-style-type: none"> Seek opportunities for increased efficiency and reduced cost 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 35W Bus Service - Cooperative operations began August 2016 with FWTa 	
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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Ongoing FWTA / DCTA meeting/luncheon with agency officers DART / DCTA Board member dinner 	
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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Contract complete with Uber for pilot service Completed - initial service began 9/26/2016 	
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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 35W Bus Service - Cooperative operations began August 2016 with FWTa 	

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 63-64.

COST CLASSIFICATION	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
FINANCE					
Salary, Wages & Benefits	\$ 598,093	\$ 720,025	\$ 871,187	\$ 872,939	\$ 964,857
Services	244,585	208,541	335,775	335,775	330,188
Materials & Supplies	-	-	500	500	500
Utilities	-	-	-	-	-
Insurance & Casualties	11,271	11,139	11,626	11,626	13,598
Miscellaneous	14,560	13,003	29,460	29,460	69,447
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 868,508	\$ 952,707	\$ 1,248,548	\$ 1,250,300	\$ 1,378,590
Full-Time Equivalents	6.0	7.0	9.0	8.5	8.0

MATERIAL BUDGET ITEMS:

- Merit Pay of 3.5% included in 2016
- Additional FTE for the Program Manager - Grants (Vacant in FY16)
- NCTRCA Membership \$30k
 - Will allow staff access to a DBE database for procurement activities

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance	
FY17 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 Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Ensure fleet sustainability and timely vehicle procurements consistent with operating and funding requirements • Manage procurement of goods and services to reduce impacts on operating costs. • Develop and implement infrastructure for managing both procurement & non-procurement contracts that support adopted contract administration procedures 	
<p>OBJECTIVE: Support optimization of maintenance, preservation, and timely replacement of assets Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Provide accurate and timely financial data, which is used to evaluate services, by the 10th working day of each month • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Continue to improve standard procedures and procurement processes to align with a customer focused procurement philosophy and best 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio 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%) 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities Tasks / Performance Measure:</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 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 	
GOAL 4:	Expand DCTA's services into areas where transit has a likelihood of success
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing 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 	
GOAL 5:	Coordinate regional services with other regional transit providers
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities 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>OBJECTIVE: Co-author grant applications with regional agencies and planning entities Tasks / Performance Measure:</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 Tasks / Performance Measure:</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 • Develop public trust and confidence thru transparency, open communication and regional collaboration 	

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance	
FY17 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 Select Development Partners for agency Lewisville Transit Center Facilitate TOD projects on properties adjacent to agency stations Maximize Transit Oriented Development (TOD) and real estate opportunities that further agency goal of increasing ridership 	
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 a 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 ridership Leverage agency assets by improving efficiencies through technology and enhancing fare structure 	
<p>OBJECTIVE: Develop capital plans and funding strategies for critical infrastructure, replacement, maintenance and service enhancements and growth opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Align agency long range financial plan with Strategic Plan 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 Utilize fully allocated cost model for evaluating performance of each service type 	
<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"> Monitor and respond to legislation that affects sales tax Increase and broaden grant funding resources Review and align risk insurance coverage with DCTA operational needs Strengthen current financial conditions by ensuring appropriate systems and controls are in place that improve financial health Develop comprehensive grants management framework Implement COGNOS reporting software Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x and update financial model timeperiod to incorporate debt management plan for the full issuance period Complete fare structure and revenue analysis for scheduled fare increases Maximize utilization of sales tax audit, reporting and data collection contract Find new innovative revenues and sources of funding to leverage local transportation dollars 	

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance	
FY17 Objectives & Tasks / Performance Measures	
GOAL 8: <i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflects 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"> • Receive NPI Excellence in Procurement Award • 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 • Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting • Maintain compliance and accountability of P-card program • Review annually and update process/procedures as needed • Implement routine, scheduled review of agency-wide cash management, cash handling processes and investment process 	
Finance	
FY16 Performance Measure Results/Status	
GOAL 1: <i>Maximize service efficiency and reliability</i>	
OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA <u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Contract awarded for multi-year options for vehicle replacements • Multi-year procuremnts in place for major maintenance goods & services
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards <u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • On-going; reports presented to Board monthly • Qtrly meetings held • Rail Purchased Transportation 10-yr contract completed-effective 10/01/2016
OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	<u>Results / Status:</u> <ul style="list-style-type: none"> • No vehicle auctions held in FY16, Spare ratio achieved
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Submittal underway, achieved Platinum Award FY2015 • 49 of 52 completed via BidSync electronic platform in FY16 • Complete, Finance Committee workshop and budget hearing conducted according to budget calendar
OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts <u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • On-going. Reciprocal fare and GoPass agreement in place • On-going • Completion of revised ILA underway for shared services including TVM maintenance, platform maintenance, reciprocal fare, emergency dispatch and Safety Director

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance	
FY16 Performance Measure Results/Status	
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> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact 	<u>Results / Status:</u> <ul style="list-style-type: none"> • On-going with expanded Highland Village Service, City of Frisco Access Service and I-35W Commuter Express Pilot Program
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"> • More frequent meetings to discuss and coordinate special projects, events or issues • Quarterly meetings with DART and The T on regional services issues 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Shared projects for farebox procurement and new fare card and fare policy underway • Pending
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
<u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • On-going. Funding secured for Positive Train Control • Pending • On-going
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • On-going • Excess Rail Liability Insurance procured with DCTA as primary insured
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> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Completed annually as part of budget process
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> <ul style="list-style-type: none"> • Identify sustainable options for service enhancements during schedule update and annual budget process 	<u>Results / Status:</u> <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	
<u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Identified and received grant for completion of Eagle Point section of A-train Hike& Bike Train; FEMA funding for flood damage, and additional vanpool funding. • On-going with further development by Board Program Services Committee Strategic Plan Initiative

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Finance	
FY16 Performance Measure Results/Status	
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	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<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 	<ul style="list-style-type: none"> • Pending • Pending
OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<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 	<ul style="list-style-type: none"> • Complete • Complete • Pending
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"> • 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 	<ul style="list-style-type: none"> • On-going • Complete • On-going. Upgrade complete, Grants Module implementation scheduled • FTA and NCTCOG reporting requirements and deadlines met; development of procedures manual underway • Project planned for 2017 • Complete • Complete. FY2017 coverage ratio of 1.70 • Pending
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</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 • 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 Finance • 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 	<ul style="list-style-type: none"> • On-going, Procedures Manual in draft stage, grant tracking checklist in implementation stage • Complete with exception of Board Quarterly Grant Update delayed due to staff turn-over • Completed for FYE 9/30/2015; FYE9/30/2016 underway • Complete. Received GFOA Award for FY2016 Budget • Complete. Received GFOA Certificate for CAFR for FYE9/30/2015. • On-going, new card user training and monthly review and reporting completed • Pending • Pending, bus operations reviewing fare box procedures, use of new vault to be evaluated in 2017

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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 333,407	\$ 248,086	\$ 511,280	\$ 489,209	\$ 581,953
Services	212,441	329,542	466,602	466,602	575,702
Materials & Supplies	23,742	35,386	28,000	28,000	51,750
Utilities	-	-	-	-	-
Insurance & Casualties	-	500	-	-	-
Miscellaneous	9,292	12,962	22,900	22,900	43,850
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 578,881	\$ 626,475	\$ 1,028,782	\$ 1,006,711	\$ 1,253,255
Full-Time Equivalents	3.0	4.0	6.5	6.5	7.5

MATERIAL BUDGET ITEMS:

- Merit pay of 3.5% included
- Addition of two part-time interns for FY17
- Website redesign included for FY17 \$85k (one-time expense)
- Update of the GIS Maps/Timetables included \$25k
- Additional staff training

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications FY17 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Survey passengers and the community to obtain feedback of service delivery satisfaction • Actively promote GOResult to encourage passenger feedback • Proactively solicit passenger feedback at events and community gatherings • Drive increased public involvement through regularly scheduled public meetings • Develop streamlined rider alert program/process to improve customer communications <p>OBJECTIVE: Ensure routes are easy to understand Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Develop new maps and schedule files to be used in the Go Guide and on the agency website • Improve the existing Go Guide development process across all departments • 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 • Actively promote comprehensive operational analysis changes and any potential expansion opportunities 	
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 Tasks / Performance Measure:</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 GOResult to collect feedback from passengers • Engage audience through social media channels to encourage discussion about service <p>OBJECTIVE: Increase incremental revenue service offerings for the Agency Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Actively promote the Corporate Pass Program and the opportunities it offers major centers • Monitor, optimize and promote the Vanpool Program • Continue to promote and track sales for the Group Discount Program and Non-Profit Discount Program • Develop and implement an in-transit advertising program 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>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:</p> <ul style="list-style-type: none"> • Develop annual strategic marketing and communications plan with detailed initiatives, metrics and goals • Continue to update agency brand standards to enhance the brand • Execute targeted marketing and communication efforts (online, print, social, etc.) to enhance brand awareness and drive ridership • Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets • Continue to develop positive relationships with media personnel • Implement innovative updates to enhance the customer experience and increase impressions in all digital forums (i.e. website, historical timeline) • Utilize the identified social media strategy and guidelines to better engage our passengers and followers • Identify new social media platforms to launch as a part of the agency's social platform suite • Continue applying for local and industry awards to further elevate the agency image to external audiences <p>OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Continue to elevate the content provided in 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 • Develop comprehensive distribution plans to increase placement of passenger information throughout the community • 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

Marketing & Communications	
FY17 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Provide updated information on the agency's website and blog • Encourage public participation by conducting public meetings and community outreach in accordance with the agency's Public Involvement Plan • Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video • Provide regular communication with stakeholders • Identify and coordinate presentation opportunities (rail safety, agency facts, new service, 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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Identify new community partnerships and untapped collaboration to increase the agency's exposure throughout Denton County • Discover innovative methods to expand DCTA's reach within the community • Develop community relationships to assist in the promotion of social content • Make progress in promoting and selling the Corporate Pass Program • Continue to maximize marketing partnerships • Continue to maximize community events and develop innovative methods to directly impact individuals in attendance • Continue to promote and track sales for the Group Discount Program and Non-Profit Discount Program • Develop and implement an in-transit advertising program 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
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"> • Assist with the launch of new and/or expanded services • 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 	
OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Develop specialized passenger information to support the expansion and/or launch of new service • Update specialized signage as part of the regularly schedule Passenger Information Communication Architecture (map redesign, at-stop information and bus shelter information) 	
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"> • Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary • Engage in regular meeting with customer service staff to communicate effectively and monitor performance • Attend monthly safety meetings hosted by First Transit to remain engaged with operational staff • Schedule 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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 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 • 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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Increase the number of fleet in order to meet the current demand • 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

Marketing & Communications	
FY16 Performance Measure Results/Status	
GOAL 1:	Maximize service efficiency and reliability
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service plan	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Survey passengers to obtain feedback of service delivery satisfaction Actively promote GOREquest to encourage passenger feedback Proactively solicit passenger feedback at events and community gatherings 	<u>Results / Status:</u> <ul style="list-style-type: none"> Successfully completed bi-annual Community Survey in September 2016 with 1,802 surveys collected which is an 84.6% increase compared to the 2014 survey. Executed comprehensive GOREquest campaign that resulted in 1.35M online impressions with a .59% click through rate (industry standard is .06%), and a 15.2% decrease average days to closeout a request and a 6.7% decrease in complaints compared to 2015. Successfully had 13,110 one-on-one conversations with community members about DCTA services.
OBJECTIVE: Ensure routes are easy to understand	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	<u>Results / Status:</u> <ul style="list-style-type: none"> Created and produced new fold out maps in the Go Guide in conjunction with the August 2016 service changes, and publicized an extensive RFP in September 2016 in search of a vendor to completely revamp DCTA passenger information including schedules and maps. Successfully updated all passenger information placements in conjunction with the January 2016 and August 2016 service changes and introduced new methods of promoting passenger information such as platform decals, bus stop decals and temporary bus stop announcement signage. Conducted a full audit of all passenger information and placement in order to revise the passenger information suite that currently exists. The new creative suite will be introduced in FY '17.
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 area	
<u>Tasks / Performance Measure:</u> <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 	<u>Results / Status:</u> <ul style="list-style-type: none"> Successfully developed outreach database that includes community organizations, city venues, schools, public centers, and apartment complexes to increase information distribution within Denton County. Held public meetings in April, August and October 2016 to present agency information and garner community feedback. Successfully spoke to 348 people throughout all public meetings in Denton, Highland Village, Lewisville and Frisco. Actively monitor GOREquest comments/questions, average days to closeout requests, total entries, complaints and types of submittals. Decreased our average days to closeout requests by 15.2% and total complaints by 6.7% compared to 2015.
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	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Develop annual strategic marketing and communications plan with details, metrics and goals Execute brand study to drive marketing and communications efforts and initiatives 	<u>Results / Status:</u> <ul style="list-style-type: none"> Successfully developed and implemented a comprehensive plan addressing traditional marketing, media relations, social media, website, community outreach, and customer service. In lieu of a brand study, the marketing and communications department opted to develop a strategic brand look/feel and implemented that consistent look throughout all mediums utilized by the agency.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications	
FY16 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> <ul style="list-style-type: none"> • 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 	<u>Results / Status:</u> <ul style="list-style-type: none"> • A comprehensive brand standards manual and social media guidelines manual were developed in FY '16 and are utilized internally and externally to maintain brand consistency. • A total of seven traditional marketing and communications campaigns were executed and completed in FY '16. In total, the marketing and communications campaigns resulted in 14.8M online impressions, 8.7M print impressions, and an average click through rate of .27% (industry standard is .06%). Supplemental social media campaigns were completed in addition to traditional campaigns. • Successfully increased media relations placements by 30.7% (600 stories), resulting in 208.9M impressions (up 94% compared to FY '15), and a publicity value of more than \$774K. Placements included local, regional and national outlets. • Conducted more than 10 one-on-one meetings with local and regional media outlets to develop positive relationships and pitching opportunities. • Developed Wheels & Rails, an internal newsletter that utilizes the content developed for the Messaging Map and Wellness Committee. The addition of this newsletter has created time efficiencies for staff and a method for presenting information pertinent to staff. • Executed targeted online campaigns to drive traffic to the DCTA website and Hop on Board blog. Although website pageviews were down 14.5% compared to 2015, new users to the site increased by 23% compared to 2015. Hop on Board blog pageviews were up 226.8% compared to 2015. • Increased overall social media content significantly to engage passengers and drive likes and followers. Increased Facebook posts by 66%, Twitter posts by 71%, YouTube posts by 233%, LinkedIn posts by 200%, and blog posts by 82% compared to 2015. • Successfully won 12 awards as presented by local, regional and national organizations inside and outside the transit industry.
OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 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 • Gather feedback regarding improvements to passenger information through surveys, community events and Citizen's Advisory Team 	<u>Results / Status:</u> <ul style="list-style-type: none"> • Developed new creative layout and increased content for EnRoute News. • Actively work with operations staff to provide seamless passenger information (schedules, maps, updates, etc.) with each service change and during the launch of new service. • Successfully revised and distributed new passenger information during the January 2016 and August 2016 service changes. • Successfully updated all passenger information placements in conjunction with the January 2016 and August 2016 service changes and introduced new methods of promoting passenger information such as platform decals, bus stop decals and temporary bus stop announcement signage. • Continually engage passengers and community members to improve the type of information presented to the public regarding schedules and pertinent passenger information.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications FY16 Performance Measure Results/Status	
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Regularly update the DCTA website and blog with relevant content. Introduced new agency blog in January 2016. • Held public meetings in April, August and October 2016 to present agency information and garner community feedback. Successfully spoke to 348 people throughout all public meetings in Denton, Highland Village, Lewisville and Frisco. Engaged community at a variety of events and public forums throughout the year and were able to speak to 13,110 individuals regarding DCTA services. • Successfully executed seven traditional marketing campaigns that drove traffic to the DCTA website, blog and social media channels. Increased Facebook likes by 3,099, Twitter followers by 1,015, and blog subscribers by 24 compared to 2015. • Provide monthly updates to the DCTA Board of Directors and quarterly updates to member cities and community partners. • Regularly coordinate presentation opportunities throughout the year. Gave 18 outreach presentations throughout FY '16.
OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Actively worked with community partners to increase reach of social media campaigns to support the agency's main messages throughout the year. • Identified key partners in Denton County that we could leverage to expand our net of communications throughout the year. • Launched a Corporate Pass Program and developed a business database of 1,885 businesses, made 278 cold calls, had 345 visitors to the internal webpage, sent out 2,684 direct mailers, and sent out 10 information kits to interested parties. • Streamlined event participation to maximize time out of the office and increase outreach efforts. Successfully had 13,110 one-on-one conversations with individuals throughout this year. • Successfully developed a Corporate Pass Program, Non-Profit Pass Program and Group Discount Pass Program. In all, we reported a total of 941 hits to the specific discount webpage on the DCTA site and \$11,967 in fare revenue.
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
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"> • 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 	<ul style="list-style-type: none"> • Worked closely with planning and operations to successfully launch services in Frisco, Highland Village, and along the I-35W corridor. • Continue to promote DCTA services throughout Denton County and beyond in order to drive awareness of our capabilities and possibilities. • Developed new Regional Leave-Behind handout that is updated every other month. This handout is utilized by the Board of Directors, staff and our legislative team to drive the same messages of success and opportunity. • Continue to support the COA process, including the launch of Lewisville Connect schedule changes and the Denton Connect schedule changes in FY '17.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Marketing & Communications	
FY16 Performance Measure Results/Status	
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"> 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 Regular meetings with TxDOT communications team during 35Express project 	<u>Results / Status:</u> <ul style="list-style-type: none"> Host bi-weekly staff meetings with entire team to discuss projects as they relate to the strategic plan and the status of each initiative. Host weekly meetings with intern staff to manage project progress. Host an annual meeting prior to the start of a fiscal year to discuss strategy and expectations. Attend monthly meetings with customer service staff to provide routine updates and any necessary instruction. Conducted a comprehensive audit in September 2016 to review customer service organization and processes and make a recommendation for more efficient and productive customer service. Meet with First Transit staff on an ongoing basis and when needed for special projects. Continue to host quarterly 1:1 meetings with each staff member individually to address areas of success, areas for improvement, and professional development opportunities. Attend monthly meetings to stay abreast of changes along the I-35E corridor during construction.
OBJECTIVE: Consider joint operations / shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	<u>Results / Status:</u> <ul style="list-style-type: none"> Meet with DART and FWTA marketing, communications and customer service staff on a quarterly basis to discuss individual agency updates and regional partnership opportunities. Continually engage with regional partners where applicable. DCTA opted to develop our own in-transit advertising program rather than partner with regional partners due to our limited amount Continually engage with regional partners where applicable.
OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	<u>Results / Status:</u> <ul style="list-style-type: none"> Successfully joined forces with regional partners on several monthly celebrations (i.e. Bike to Work Day) and the State Fair of Texas. Launched a Corporate Pass Program and developed a business database of 1,885 businesses, made 278 cold calls, had 345 visitors to the internal webpage, sent out 2,684 direct mailers, and sent out 10 information kits to interested parties. Additionally, DCTA added more than 10 extra vanpools to our program and developed a plan to increase the number of vanpools to meet the needs of those traveling from within or outside of Denton County. Updated parking information on DCTA website and continue to promote vanpool opportunities. Identified key partners in Denton County that we could leverage to expand our net of communications throughout the year.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

STRATEGIC PLANNING AND 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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
STRATEGIC PLANNING & DEVELOPMENT					
Salary, Wages & Benefits	\$ 224,699	\$ 142,325	\$ 217,628	\$ 173,406	\$ 293,637
Services	5,489	21,539	46,100	56,100	46,100
Materials & Supplies	5,900	66	700	700	200
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	6,344	10,738	19,200	19,200	33,150
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 242,432	\$ 174,669	\$ 283,628	\$ 249,406	\$ 373,087
Full-Time Equivalents	3.75	1.00	2.00	2.00	2.00

MATERIAL BUDGET ITEMS:

- Increase in Salary & Benefits for the addition of the Senior Planner (Hired July 2016)
- Additional training for Senior Planner position

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development FY17 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 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:	<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 <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 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:	<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"> • Quarterly meetings with planning staff to discuss potential project partnerships • Regular meetings and engagement with NCTCOG staff to discuss projects and regional impact potential <p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Support regional initiatives with other transit agencies and NCTCOG 	
GOAL 7:	<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 <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design. <p>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 <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide technical assistance to local and regional officials <p>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></p> <ul style="list-style-type: none"> • Monitor new development activity in member cities and provide feedback <p>OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide technical assistance to developers as well as local and regional officials <p>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 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

Strategic Planning & Development FY16 Performance Measure Results/Status	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	<u>Results / Status:</u> <ul style="list-style-type: none"> Regular meetings have been held with city staff, stakeholders, developers and agency partners to discuss new developments and any transit needs foreseen. This will be an ongoing effort by the agency. Regular meetings have been held with the community, regional agencies and local city officials. This will be an ongoing effort by the agency.
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
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"> 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. 	<u>Results / Status:</u> <ul style="list-style-type: none"> Regular meetings have been held with city staff to discuss new developments and any transit needs foreseen. This will be an ongoing effort by 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 to discuss potential project partners 	<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"> Support regional initiatives with other transit agencies and NCTCOG 	<u>Results / Status:</u> <ul style="list-style-type: none"> Engaged and participated in multiple NCTCOG initiatives; Provided Letters of Support for 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 and provide support during development planning to ensure sustainable development and transit supportive design. 	<u>Results / Status:</u> <ul style="list-style-type: none"> 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. This will be an ongoing effort by the agency.
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. This will be an ongoing effort by the agency.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Strategic Planning & Development	
FY16 Performance Measure Results/Status	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors</p>	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide technical assistance to developers as well as local and regional officials 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Staying engaged in city development projects, meet with area developers regularly and offering assistance when appropriate. This will be an ongoing effort by the agency.
<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"> • 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 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Staying engaged in development projects along the major corridors, meeting with area developers regularly and offering assistance when appropriate. This will be an ongoing effort by 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.

COST CLASSIFICATION	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
<u>HUMAN RESOURCES</u>					
Salary, Wages & Benefits	\$ 86,676	\$ 66,333	\$ 95,764	\$ 51,445	\$ 82,078
Services	6,632	14,130	66,300	66,300	62,300
Materials & Supplies	-	26	-	-	500
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	9,577	12,380	21,160	18,195	38,860
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 102,886	\$ 92,869	\$ 183,224	\$ 135,940	\$ 183,738
Full-Time Equivalents	1.0	1.0	1.0	0.5	1.0

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%
- HR position transitioned from a part-time position in FY16 to a full-time position for FY17

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Human Resources	
FY17 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u> <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 • Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance • Create an organization committed to learning and innovation • Encourage staff empowerment by providing training and tools that promote initiative, career development and success of organizational goals • Cultivate a skilled workforce that are experts and leaders in the transportation field • Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty 	

Human Resources	
FY16 Performance Measure Results/Status	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <div> <u>Tasks / Performance Measure:</u> <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 </div> <div> <u>Results / Status:</u> <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 3 full-time and 3 Part-time positions were recruited and filled in FY16. • Complete; Two (2) intern positions recruited with focus on graduate and under-graduate students. FY17 Budget 2 additional intern positions added • On Going; Contract awarded for Compensation & Salary study. Job Description analysis completed in 9/2015. Recommendations and salary adjustments completed in May 2016 • Under review and being re-evaluated to incorporate a process better aligned with current goals • On-going with successful Wellness Program and Wellness Wednesday programming </div>	

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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
TRANSIT OPERATIONS - ADMIN					
Salary, Wages & Benefits	\$ 132,256	\$ 526,361	\$ 635,602	\$ 660,364	\$ 865,025
Services	\$ 236,338	\$ 91,457	144,688	188,488	281,838
Materials & Supplies	\$ 5,579	\$ 106,590	182,796	182,796	40,400
Utilities	\$ -	\$ 9,057	15,840	15,840	-
Insurance & Casualties	\$ -	\$ -	-	-	-
Purchased Transportation Services	\$ -	\$ 158,025	206,550	206,550	187,368
Miscellaneous	\$ 10,045	\$ 5,796	11,308	11,308	16,402
Leases & Rentals	\$ -	\$ -	-	-	-
Depreciation	\$ -	\$ -	-	-	-
Total Operating Expense	\$ 384,218	\$ 897,286	\$ 1,196,784	\$ 1,265,346	\$ 1,391,033
Full-Time Equivalents	1.0	4.75	5.75	6.25	6.75

MATERIAL BUDGET ITEMS:

- FTE has been increased by .5 due to the Data Analyst position being transferred from Finance to Transit Operations mid-year FY16
- Vanpool fuel expense has been transferred to the passenger for FY17 so this expense has been removed from Materials & Supplies
- Merit increase of 3.5% included in FY17
- Salaries based on completed 2016 Compensation Plan
- Vanpool lease expense (Purchased Transportation) has decreased based on a reduction in lease rates with new vendor contract.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations FY17 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 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 • 90% of Bus preventative maintenance performed on-time • Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs • Ensure timely vehicle procurements consistent with all operating and funding requirements 	
<p>OBJECTIVE: Operate on-schedule within adopted on-time performance standards Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • 90% on-time performance for bus services • 98% on-time performance for rail services 	
<p>OBJECTIVE: Consistently monitor and evaluate service in accordance with adopted service standards Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Decrease cost per passenger system wide • Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%) 	
<p>OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productive tools are reliable, cost effective and secure Tasks / Performance Measure:</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 Tasks / Performance Measure:</p> <ul style="list-style-type: none"> • Improve the Denton and Lewisville Connect system through the evaluation of the existing route structure to identify areas to improve existing services, provide greater efficiencies, and recommend opportunities for expansion to better serve major employment and residential areas 	
GOAL 3:	Coordinate regional services with other regional transit providers
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities Tasks / Performance Measure:</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: Pursue opportunities for coordinated procurement, joint operations, or shared funding that enhance regional services Tasks / Performance Measure:</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:	Tie the provision of transit to land-use and the resulting demand levels
<p>OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action</p> <ul style="list-style-type: none"> • Review service performance monthly and conduct bi-annuals assessments to provide recommendations enhancements 	
<p>OBJECTIVE: Existing services that significantly exceed standards should be augmented Tasks / Performance Measure:</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:	Advocate sustainable development practices that support transit
<p>OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services and operational business Tasks / Performance Measure:</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 passenger amenities where ridership demand supports 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 	

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations	
FY17 Objectives & Tasks / Performance Measures	
GOAL 6:	<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> <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 	
Transit Operations	
FY16 Performance Measure Results/Status	
GOAL 1:	<i>Maximize service efficiency and reliability</i>
OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pull-out requirements for DCTA <u>Tasks / Performance Measure:</u> <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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Not achieved (2.58). Includes both preventable and non-preventable accidents. • Achieved • Achieved • Achieved • Ongoing 	
OBJECTIVE: Operate on-schedule within adopted on-time performance <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 90% on-time performance for bus services • 97% on-time performance for rail services 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Achieved (90.04%) • Achieved (98.9%) 	
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards <u>Tasks / Performance Measure:</u> <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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Not achieved (1.73). Exploring opportunities for improving operational efficiency. • Not achieved. Overall system ridership decreased 1.69% from FY2015. Bus ridership decreased 1.6% or 40,545 riders and rail ridership decreased 1.83% or 10,173 riders. • Not achieved. FY2016 cost/passenger increase \$0.04 from the previous year (\$7.73 vs. \$7.69). Please note that FY2015 costs are based on audited financials, while FY2016 is based on unaudited financials, as audited financials are not yet available. 	
OBJECTIVE: Minimize non-revenue hours operated on all services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Revenue Service Hours to Total Hours Ratio (+85%) 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Achieved (92.9%) 	
OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Achieved 	
OBJECTIVE: Ensure DCTA business systems, network infrastructure, business productivity tools are reliable, cost effective and secure <u>Tasks / Performance Measure:</u> <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 • Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects 	
<u>Results / Status:</u> <ul style="list-style-type: none"> • Achieved • Achieved 	

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations	
FY16 Performance Measure Results/Status	
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>Tasks / Performance Measure:</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>Results / Status:</p> <ul style="list-style-type: none"> Achieved. Conducted Comprehensive Operational Analysis (COA) and received final report from Nelson Nygaard. 	
<p>OBJECTIVE: Ensure routes are easy to understand</p> <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 	
<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>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"> Partially Achieved. Implemented service changes in Lewisville on August 29, 2016. Implementation of service changes in Denton are anticipated in FY 2017. 	
GOAL 5:	Coordinate regional services with other regional transit providers
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p>Tasks / Performance Measure:</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>Results / Status:</p> <ul style="list-style-type: none"> Funding for PTC is within current budget and financial plan allocations Ongoing 	
<p>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</p> <p>Tasks / Performance Measure:</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 <p>Results / Status:</p> <ul style="list-style-type: none"> Ongoing. Implemented commuter service from Denton to Fort Worth in coordination with the Fort Worth Transportation Authority. A short term interlocal agreement has been agreed to with DART. It was determined to be in the best interests of DCTA to procure a separate O&M services contract. After 9 year base period, there is an opportunity to share O&M services and expenses. Participated in Regional fare box procurement with FWT & DART. 	
GOAL 6:	Tie the provision of transit to land-use and the resulting demand levels
<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>Tasks / Performance Measure:</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>Results / Status:</p> <ul style="list-style-type: none"> Ongoing 	
GOAL 7:	Advocate sustainable development practices that support transit
<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>	

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

Transit Operations	
FY16 Performance Measure Results/Status	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
OBJECTIVE: Effectively and efficiently plan and implement capital programs that support transit oriented services support operational business needs.	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
• Continue the development of positive relationships with member city staffs in order to promote transit supportive development	• Achieved
• Identify, plan and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs	• Achieved
• 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	• Ongoing
• Work with Planning and Finance to explore transit service expansion and transit oriented development opportunities	• Ongoing
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>
• Manage Bus & Rail Operations and Maintenance activities within budget and work with finance to ensure consistent cash flow demand	• Achieved

RAIL SERVICES DIVISION BUDGETS

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 route 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 supported the train operations (service hours, fuel, maintenance, etc.) and is accounted for under the Purchased Transportation Services category. In October 2016, DCTA entered into a new contract with First Transit for operations and maintenance of the A-train system, replacing the previous joint contract. 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 that will move the agency towards compliance with Positive Train Control.

COST CLASSIFICATION	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
RAIL SERVICES					
Salary, Wages & Benefits	\$ 260,617	\$ 277,509	\$ 287,591	\$ 299,419	\$ 315,252
Services	257,527	1,206,941	298,160	269,775	276,155
Materials & Supplies	1,163,199	906,439	1,301,000	642,799	1,118,667
Utilities	279,836	290,734	280,389	280,389	289,044
Insurance & Casualties	496,869	485,946	499,334	499,334	523,640
Purchased Transportation Services	9,632,780	9,922,894	11,427,074	10,427,074	9,375,986
Miscellaneous	5,504	20,996	13,693	13,693	14,745
Leases & Rentals	1,104	2,099	102,207	2,207	2,208
Depreciation	7,637,028	7,709,452	8,029,976	8,029,976	8,049,118
Total Operating Expense	\$ 19,734,464	\$ 20,823,009	\$ 22,239,424	\$ 20,464,666	\$ 19,964,815
DCTA FTE's	2	3	3	3	3
First Transit Contract FTE's	46.5	49	50	50	50.75

MATERIAL BUDGET ITEMS:

- Purchased Transportation for FY17 is based on contract rates with First Transit plus single car operations
- Increase in insurance expense
- Fuel budgeted at \$2.75 per gallon in FY17 @ 400,000 gallons
 - FY16 Revised Budget fuel rate was reduced to \$1.50 based on trend and savings were transferred into the Capital Infrastructure Fund

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

BUS SERVICES DIVISION BUDGETS

BUS SERVICES

In 2014, DCTA contracted with First Transit, Inc. to manage the bus operations. Under this Management Services Agreement contract, First Transit, Inc. provides a General Manager (GM) and an Assistant General Manager (AGM) to provide complete transportation management services for DCTA's on-going bus operations, fare enforcement services and DCTA's customer service/call center. The GM and AGM are employees 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 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Revised	FY 2017 Budget
<u>CONTRACT BUS SERVICES</u>					
Salary, Wages & Benefits	\$ 5,531,281	\$ 5,957,867	\$ 6,463,161	\$ 6,584,471	\$ 7,484,642
Services	400,697	566,898	714,150	846,108	785,874
Materials & Supplies	1,627,759	1,449,666	2,242,584	1,530,523	2,111,461
Utilities	124,094	149,843	176,732	176,732	164,620
Insurance & Casualties	267,847	282,526	289,255	289,255	316,956
Miscellaneous	7,337	30,854	47,960	40,010	58,100
Leases & Rentals	39,667	6,443	6,000	34,000	202,518
Depreciation	1,240,087	1,628,053	1,917,896	1,953,887	2,262,288
Total Operating Expense	\$ 9,238,770	\$ 10,072,150	\$ 11,857,738	\$ 11,454,986	\$ 13,386,459
Bus Contract FTE's	137	140.5	152	152	179

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.00 per gallon in FY17 @ 380,000 gallons
 - FY16 Revised Budget fuel rate was reduced to \$1.75 based on trend and savings were transferred into the Capital Infrastructure Fund
- Additional facility maintenance of \$66k included for general maintenance requirements
- Bus operator wage increase to \$16.61 based on Union contract
- Includes 3% merit pay for non-operators
- The 27 additional FTEs is from both new items budgeted in FY2017 (mechanics, North Texas Xpress service, Denton COA), as well as service expansions in FY 2016 that were not originally included in the FY 2016 Budget (i.e., Frisco, Highland Village, etc.)
- Additional of two bus leases from FWTA (began in FY16)

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



CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN OVERVIEW**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.

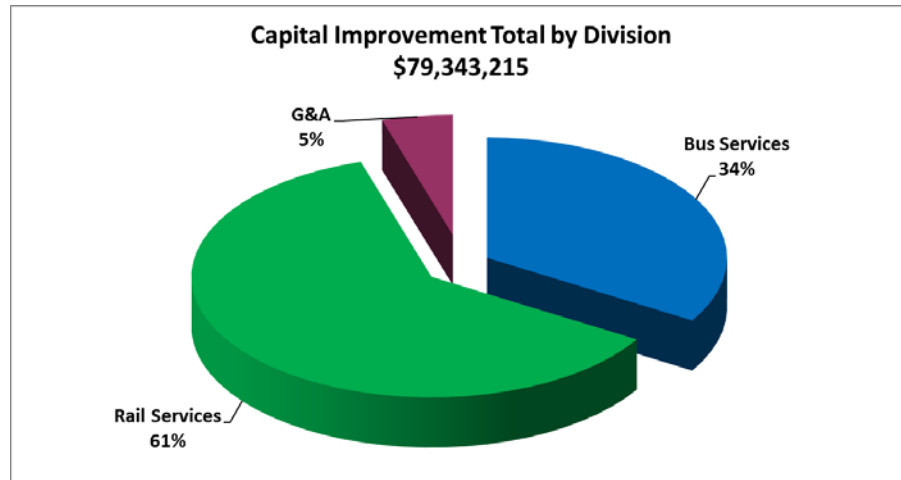
The current year of the CIP is adopted with the approval of the FY 2017 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY17 is \$24.8 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 Actuals	FY 2016 Projected	FY 2017 Proposed	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services										
Bus Operations & Maintenance Facility	50301	11,497,555	11,328,630	635	168,290					11,497,555
Fleet Replacement (2015)	50505	1,634,000		62,000	1,572,000					1,634,000
Scheduling Software	50601	250,000			20,000	230,000				250,000
Transit Enhancements (2015-2016)	50204	165,000		4,601	100,582	59,817				165,000
Bus Fleet Cameras	50409	149,500				149,500				149,500
Fleet (2016)	50507	1,250,000				1,250,000				1,250,000
Fleet (2017)	50510	1,550,000				1,550,000				1,550,000
TAPS Bus Purchase	50508	139,000			139,000					139,000
AVL & Farebox Systems	50410	200,000				200,000				200,000
IOMF Lewisville - Fuel Tanks	50305	250,000				250,000	250,000			500,000
Fleet (Out Years)							3,300,000	2,400,000	2,500,000	8,200,000
Fleet Farebox Replacement								1,200,000		1,200,000
Rail Services										
Passenger Information	60701	96,821	57,670	3,740	35,410					96,821
Positive Train Control Preparation	61406	1,346,527	1,170,664	175,863						1,346,527
Positive Train Control Implementation	61406.1	16,720,141			3,374,992	7,486,472	5,858,677			16,720,141
Lewisville Bike Trail	61708	3,099,856	649,338	1,329,081	171,437	950,000				3,099,856
Rail Maintenance of Equipment	61712	1,302,627	137,849	826,407	338,371					1,302,626
GTW Wheel Work	61505	915,041		441,057	473,984					915,041
T. Mills Crew Facility	61209	250,000		32,528	117,472	100,000				250,000
Station Landscaping	61210	485,000		25,455	459,545					485,000
Rail Drainage Improvement	61104	429,980		396,470	33,510					429,980
Rail Mobilization (2015)	61604	2,119,517			2,119,517					2,119,517
Disaster Recovery	61713	300,000		215,791	84,209					300,000
Rail Facility Flume Repair (2015 Flood)	61713.1	325,482			85,000	240,482				325,482
Grade Crossing Replacements (2015 Flood)	61713.2	2,157,760			100,000	2,057,760				2,157,760
Hebron Signal House (2015 Flood)	61713.3	122,000			122,000					122,000
Ballast Undercutting (2015 Flood)	61713.4	761,600			761,600					761,600
Pockrus Page (2015 Flood)	61713.5	623,000			75,000	548,000				623,000
Rail Capital Maintenance	61714	745,000			745,000	3,970,430	3,330,999	2,000,000	3,293,971	13,340,400
Stadler Spare Parts	61506	96,000			96,000					96,000
ABB Stadler Spare Parts	61507	276,000			276,000					276,000
Trail Safety Improvements	61715	139,657				139,657				139,657
Fare Collection Systems	61401	733,104	649,943	14,000		69,161				733,104
Stadler Fleet Emergency Lighting	61508	190,000			190,000					190,000
Lewisville Bike Trail - Eagle Point Section	61716	2,995,873			100,000	2,895,873				2,995,873
G&A										
COGNOS Report Writing Application	10601	200,000				200,000				200,000
Comprehensive Service Analysis	10602	420,222		76,210	123,790	146,815	73,407			420,222
Legal Support	10603	226,553		10,915	215,638					226,553
Shortel Phone System	10402	85,000			85,000					85,000
Lewisville Facilities Study	10301	100,000			100,000					100,000
Safety & Security (Agency-Wide)	10604	250,000				250,000				250,000
Infrastructure Acquisition	10302	1,900,000				1,900,000				1,900,000
Project Management/Document Control	10605	150,000				150,000	150,000	150,000	150,000	600,000
TOTAL		\$ 56,647,816	\$ 13,994,095	\$ 3,819,773	\$ 12,283,347	\$ 24,793,967	\$ 12,963,083	\$ 5,750,000	\$ 5,943,971	\$ 79,343,215

Sources of Funding (FY17)

Federal / State Grants	\$ 8,085,895
RTC Funds	\$ 5,989,178
DCTA Funding	\$ 10,718,894
TOTAL	\$ 24,793,967



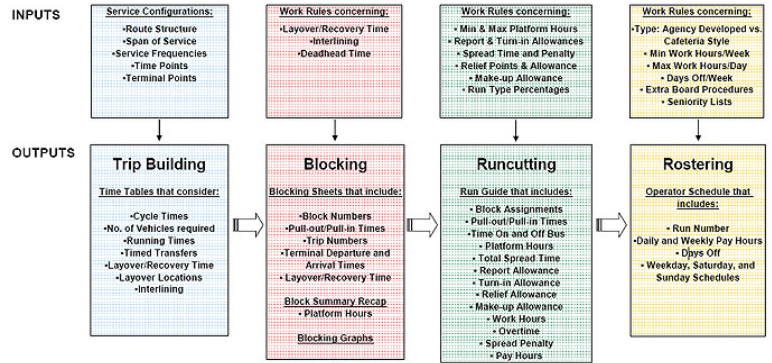
CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

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 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	
2014-15	-	-	-	State Grants (RTRFI)	\$ -
2015-16	20,000	-	-	Federal Grants	200,000
2016-17	230,000	See Project Notes	-	Operating Funds	50,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000

Change from Previous CIP		Project Notes
No Change	X	The agency reviews each capital project for associated operating impacts during the budget process and there will be no operating cost impact in FY17 from this capital project. Future operating cost impacts will include annual license renewals and software maintenance and will be included in the FY18 budget.
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	
2014-15	4,601	-	-	State Grants	\$ -
2015-16	100,582	-	-	Federal Grants	131,892
2016-17	59,817	25,000	-	Operating Funds	33,108
Total	\$ 165,000	\$ 25,000	\$ -	Total Funding	\$ 165,000
Change from Previous CIP			Project Notes		
No Change			Coordinating Department: Transit Operations		
Increase in Amount					
Decrease in Amount					
New Project					

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Bus Fleet Cameras**Project Number: 50409**Statement of Need/Description

Purchase and install safety and security cameras on new and existing vehicles to maximum fleet coverage.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants (RTRFI)	\$ -
2015-16	-	-	-	Federal Grants	119,600
2016-17	149,500	See Project Notes	-	Operating Funds	29,900
Total	\$ 149,500	\$ -	\$ -	Total Funding	\$ 149,500
Change from Previous CIP			Project Notes		
			Coordinating Department: Transit Operations		
No Change		X	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 cameras will be covered under warranty for a period and after that, any maintenance expense will be negligible.		
Increase in Amount					
Decrease in Amount					
New Project					

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Fleet 2016**Project Number: 50507****Statement of Need/Description**

The fleet replacement scheduled for order in FY16 includes 3 additional large capacity buses that will be used to meet service requirements. These buses were 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		
			Coordinating Department: Transit Operations		
No Change		X	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: Fleet 2017**Project Number: 50510****Statement of Need/Description**

The fleet replacement scheduled for FY17 includes replacement of 8 small vehicles (vans) and 6 medium vehicles (LF Med Van) that will be used to meet service requirements. These buses will be ordered in FY17 and are scheduled to arrive in late 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	1,317,500
2015-16	1,550,000	See Project Notes	-	Operating Funds	232,500
Total	\$ 1,550,000	\$ -	\$ -	Total Funding	\$ 1,550,000
Change from Previous CIP			Project Notes		
			Coordinating Department: Transit Operations		
No Change			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.		
Increase in Amount					
Decrease in Amount					
New Project		X			

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: AVL & Farebox Systems (Bus)**Project Number: 50410****Statement of Need/Description**

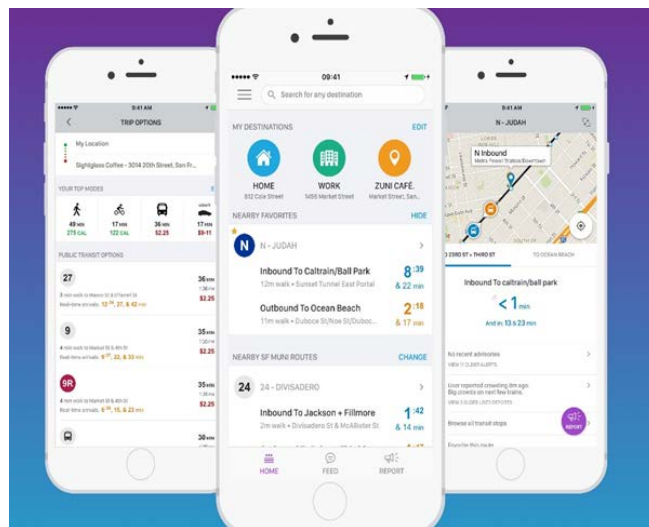
In fiscal year (FY) 2016, DCTA took delivery of ten (10) large vehicles for fleet replacement and expansion, including six (6) EZ Riders previously owned by TAPS and four (4) brand new Gilligs. Three (3) additional Gilligs are scheduled for delivery in April 2017. These vehicles did not come equipped with fare boxes or the necessary equipment to be included in DCTA's Where's My Ride system. This project would provide the funding for purchase of the necessary hardware and installation.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
2016-17	200,000	-	-	State Grants \$ -
2017-18	-	-	-	Federal Grants -
2018-19	-	-	-	Operating Funds 200,000
Total	\$ 200,000	\$ -	\$ -	Total Funding \$ 200,000

Change from Previous CIP**Project Notes****Coordinating Department: Transit Operations**

DCTA participated in a regional fare box procurement lead by the Fort Worth Transportation Authority (FWTA). Once the selected fare collection system is determined, staff will initiate purchasing and installation on the 13 new vehicles outlined above. Staff is also working to evaluate and determine the best method for DCTA to move forward with reliable real-time passenger information. Once this has been determined, staff will proceed with procuring and installing the necessary hardware and software on the 13 vehicles.

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: IOMF Fuel Tank Installation**Project Number: 50305****Statement of Need/Description**

This project will provide for purchase and installation of an above ground fueling system to fuel the Lewisville buses currently parked at the Rail facility.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants (RTRFI)	\$ -
2015-16	-	-	-	Federal Grants	-
2016-17	250,000	See Project Notes	-	Operating Funds	250,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000

Change from Previous CIP**Project Notes**

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. This capital project will actually provide operational cost savings due to reduction in man hours to move the vehicles from the rail yard to Bus Operations & Maintenance Facility to refuel and associated wear and tear on each vehicle for the additional road miles. The fuel will also be at a reduced rate for the agency if we are able to store on site.
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Positive Train Control (Preparation & Implementation)**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 began in FY2016 and is scheduled to be complete in 2018.



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	159,611	-	-		
2014-15	175,863	-	-	Debt Issuance	\$ 3,652,917
2015-16	3,374,992	178,571	-	State Grants (RTC)	12,500,000
2016-17	7,486,472	178,571	-	Federal Grants	876,113
2017-18	5,858,677	178,571	-	Operating Funds	1,037,638
Total	\$ 18,066,668	\$ 535,714	\$ -	Total Funding	\$ 18,066,668
Change from Previous CIP			Project Notes		
			Coordinating Department: Rail Services		
No Change			The agency has awarded this project to GE to implement E-ATC Rail Safety Enhancements.		
Increase in Amount					
Decrease in Amount	X				
New Project					

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Lewisville Bike Trail**Project Number: 61708****Statement of Need/Description**

Phase 1 of this project, from Hebron Station to just north of College Street, has been completed. We have received alternative funding for the construction of the remainder of the Lewisville Trail which is now referred to as the Eagle Point section. The balance of the funds in this project are earmarked for final Engineering and Engineering construction services associated with the Eagle Point project. We expect to begin construction of Eagle point during the 2nd quarter of FY 2017.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-14	649,338	-	-		
2014-15	1,329,081	-	-	State Grants	2,427,406
2015-16	171,437	-	-	Federal Grants	
2016-17	950,000	See Project Notes	-	Operating Funds	672,450
Total	\$ 3,099,856	\$ -	\$ -	Total Funding	\$ 3,099,856

Change from Previous CIP**Project Notes**

Coordinating Department: Rail Services	
No Change	<input checked="" type="checkbox"/>
Increase in Amount	<input type="checkbox"/>
Decrease in Amount	<input type="checkbox"/>
New Project	<input type="checkbox"/>

DCTA will be responsible for the trail during the one year warranty period, including the bill for irrigation. After the warranty period, the City of Denton Parks Department will take over responsibility for the trail. The operating impact will be included in the FY18 budget.

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

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 half of the 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	
2014-15	32,528	-	-	State Grants (RTRFI)	\$ -
2015-16	117,472	-	-	Federal Grants	26,022
2016-17	100,000	5,400	-	Operating Funds	223,978
Total	\$ 250,000	\$ 5,400	\$ -	Total Funding	\$ 250,000

Change from Previous CIP**Project Notes**

No Change	<input checked="" type="checkbox"/>
Increase in Amount	<input type="checkbox"/>
Decrease in Amount	<input type="checkbox"/>
New Project	<input 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). DCTA will share maintenance costs.

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Rail Facility Flume Repair {2015 Flood}**Project Number: 61713.1****Statement of Need/Description**

This project will provide for repair of flood damage to a concrete flume at the Rail facility. The Spring 2015 floods damaged the flume wall and washed out soils between the flume and track. The project was submitted to FEMA and has been approved for reimbursement at 75%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants	\$ -
2015-16	85,000	-	-	Federal Grants	244,112
2016-17	240,482	See Project Notes	-	Operating Funds	81,371
Total	\$ 325,482	\$ -	\$ -	Total Funding	\$ 325,482

Change from Previous CIP**Project Notes**

Coordinating Department: Transit Operations	
No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

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

Project Information/Status:

Engineering is complete. Project will be bid in early FY 2017 for midyear completion.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Grade Crossing Replacements {2015 Flood}**Project Number: 61713.2****Statement of Need/Description**

This project will provide for repair of flood damage to 11 grade crossings that were damaged by the Spring 2015 floods. The project was submitted to FEMA and has been approved for reimbursement at 75%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants	\$ -
2015-16	100,000	-	-	Federal Grants	1,618,320
2016-17	2,057,760	See Project Notes	-	Operating Funds	539,440
Total	\$ 2,157,760	\$ -	\$ -	Total Funding	\$ 2,157,760

Change from Previous CIP**Project Notes**

No Change
Increase in Amount
Decrease in Amount
New Project

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.

Project Information/Status:

Bids are due in November, 2017. It is estimated that completion of the repairs will require 6 to 9 months.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Pockrus Page {2015 Flood}**Project Number: 61713.5****Statement of Need/Description**

This project will provide for repair of flood damage to the drainage flume adjacent to the railroad and south of Pokrus Page Road. The project was submitted to FEMA and was approved for reimbursement on a reduced scope. An appeal is pending.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants	\$ -
2015-16	75,000	-	-	Federal Grants	467,250
2016-17	548,000	See Project Notes	-	Operating Funds	155,750
Total	\$ 623,000	\$ -	\$ -	Total Funding	\$ 623,000

Change from Previous CIP**Project Notes**

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

Project Information/Status:

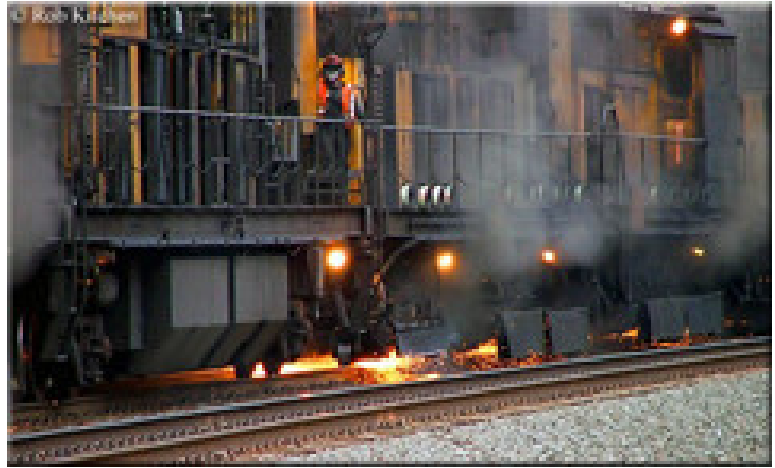
Bids are due in November, 2017. It is estimated that completion of the repairs will require 6 to 9 months.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Rail Capital Maintenance**Project Number: 61714****Statement of Need/Description**

The rail capital maintenance project is a reserve for the operations and maintenance contract that was awarded to First Transit in 2016. DCTA will work with the contractor to develop annual and multi-year capital project needs.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants	\$ -
2015-16	-	-	-	Federal Grants	-
2016-17	4,715,430	See Project Notes	-	Operating Funds	4,715,430
Total	\$ 4,715,430	\$ -	\$ -	Total Funding	\$ 4,715,430

Change from Previous CIP**Project Notes**

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Transit Operations DCTA will work with First Transit to identify capital items. As more information is learned through 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	X	
Decrease in Amount		
New Project		

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

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	
2014-15	-	-	-	State Grants (RTRFI)	\$ -
2015-16	-	-	-	Federal Grants	111,726
2016-17	139,657	See Project Notes	-	Operating Funds	27,931
Total	\$ 139,657	\$ -	\$ -	Total Funding	\$ 139,657

Change from Previous CIP**Project Notes**

Coordinating Department: Planning / Transit Operations	
No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

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.

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Lewisville Bike Trail - Eagle Point Section**Project Number: 61716****Statement of Need/Description**

This project will provide for construction of the remaining 3 miles of the Lewisville Hike and Bike Trail, from Mill and Jones Streets in Lewisville to the Highland Village/Lake Lewisville Station. The Agency has received grant funding thru TxDOT and the project will be funded at 80%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	-	-	-	State Grants	\$ -
2015-16	100,000	-	-	Federal Grants	2,084,086
2016-17	2,895,873	See Project Notes	-	Operating Funds	911,787
Total	\$ 2,995,873	\$ -	\$ -	Total Funding	\$ 2,995,873

Change from Previous CIP**Project Notes**

Change from Previous CIP		Coordinating Department: Transit Operations
No Change	<input checked="" type="checkbox"/>	DCTA will be responsible for the trail during the one year warranty period. After the warranty period, the City of Lewisville Parks Department will take over responsibility for the trail. The operating impact will be included in the FY18 budget.
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: 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	
2014-15	-	-	-	State Grants (RTRFI)	\$ -
2015-16	-	-	-	Federal Grants	160,000
2016-17	200,000	See Project Notes	-	Operating Funds	40,000
Total	\$ 200,000	\$ -	\$ -	Total Funding	\$ 200,000

Change from Previous CIP**Project Notes**

Coordinating Department: Finance / IT	
No Change	X
Increase in Amount	
Decrease in Amount	
New Project	

The initial contract agreement will include a 5 year maintenance agreement. Future on-going annual license and maintenance fees to begin in FY22 operating budget.

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Comprehensive Service Analysis**Project Number: 10602****Statement of Need/Description**

The Comprehensive Operational Analysis (COA) was conducted in an effort to improve bus service provided within DCTA member cities of Lewisville, Highland Village and Denton. The goal of the analysis was to develop service recommendations that would maintain the strongest areas of existing service, strengthen the weaker areas, fill existing service gaps and ensure all significant transit markets are well served. The grant funded COA process involved data collection, operational efficiency analysis, service planning, financial modeling, public outreach, stakeholder engagement and the development of recommendations for service improvements.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2014-15	76,210	-	-	State Grants	\$ -
2015-16	123,790	-	-	Federal Grants	307,611
2016-17	146,815	-	-	Operating Funds	112,611
2017-18	73,407	See Project Notes	-		
Total	\$ 420,222	\$ -	\$ -	Total Funding	\$ 420,222

Change from Previous CIP**Project Notes**

Coordinating Department: Planning / Operations		
No Change		<p>DCTA conducted the COA within Lewisville & Highland Village, presented recommendations to the public and implemented service changes in Highland Village in April 2016 and in Lewisville August 2016. The COA process was also conducted within Denton, presented to the public, incorporated into the FY2017 agency budget and will be implemented in May 2017.</p>
Increase in Amount		
Decrease in Amount	X	
New Project		

Project Information/Status:

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Safety & Security {Agency Wide}

Project Number: 10604

Statement of Need/Description

The ongoing operations of the A-train warrant a continuous program where safety and security improvements are considered, ranked, and funded. These potential risks range from safety at grade crossing, crime, and cyber threats. Based on an initial review of risks, the candidate list of improvements and their priority will be developed.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-14		-	-		
2014-15		-	-	State Grants	
2015-16		-	-	Federal Grants	
2016-17	250,000	See Project Notes	-	Operating Funds	250,000
Total	\$ 250,000	\$ -	\$ -	Total Funding	\$ 250,000
Change from Previous CIP			Project Notes		
<div> <div>No Change</div> <div>Increase in Amount</div> <div>Decrease in Amount</div> <div>New Project</div> </div> <div> <div></div> <div></div> <div></div> <div>X</div> </div>			Coordinating Department: Rail Services The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.		

Project Information/Status:

Risk Assessment



Five Stages of a
Risk Assessment
Process

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Infrastructure Acquisition**Project Number: 10302****Statement of Need/Description**

The Infrastructure Acquisition capital project will assist the agency with the implementation of long-range planning efforts through the purchase of property and related engineering and design work associated with relevant projects. Some of the projects may include intermodal transit facilities, administrative offices, parking capacity improvements and rail station modifications.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-14		-	-	State Grants	
2014-15		-	-	Federal Grants	
2015-16		-	-	Operating Funds	
2016-17	1,900,000	See Project Notes	-		1,900,000
Total	\$ 1,900,000	\$ -	\$ -	Total Funding	\$ 1,900,000
Change from Previous CIP			Project Notes		
No Change <input type="checkbox"/> Increase in Amount <input type="checkbox"/> Decrease in Amount <input type="checkbox"/> New Project <input checked="" type="checkbox"/>			Coordinating Department: Rail Services The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project.		

Project Information/Status:**DCTA**DCTA Inter-Modal Transportation Center
Charlotte Report

4-STORY OPTION: VIEW FROM MAIN STREET AT RAILROAD ST.

Denton County Transportation Authority
Lewisville, Texas

02

Hatch & Associates, Inc.
June 9, 2016

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Project Management / Document Control**Project Number: 10605****Statement of Need/Description**

Document management system to track, manage and store documents and reduce paper. The system will be capable of keeping a record of the various versions created and modified by different users (history tracking). The system will have the following characteristics: reviewing and approving documents prior to release, documents will be available at their "points of use", documents remain legible and identifiable, external documents are identified and controlled, prevention of the use of obsolete documents.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2012-14		-	-		
2014-15		-	-	State Grants	
2015-16		-	-	Federal Grants	
2016-17	150,000	See Project Notes	-	Operating Funds	150,000
Total	\$ 150,000	\$ -	\$ -	Total Funding	\$ 150,000
Change from Previous CIP			Project Notes		
			Coordinating Department: Rail Services		
No Change			DCTA will work with a consultant to devise/purchase the system that best fits the needs and budget of the Authority. Once the system has been identified, future operating costs will be assessed and incorporated into future budgets.		
Increase in Amount					
Decrease in Amount					
New Project		X			

Project Information/Status:



APPENDIX

Denton County Transportation Authority Financial Management Policies

Revised May 27, 2016



FINANCIAL POLICIES

Purpose

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

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

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

Reserve Fund Policies

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

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve Fund that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and

FINANCIAL POLICIES

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

- a. All transfers for expenditures from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one transit bus with a twelve (12) year useful life. (Example - FY16 Bus Fleet replacement: \$2.9 million X 20% = \$0.58 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.58 million + \$0.4 million = \$0.98 million)
- c. Infrastructure Maintenance – 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 other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a priority to replenish fund balances. Funds balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be

FINANCIAL POLICIES

achieved through expenditure reductions or through higher than anticipated revenues. The cash flow model and annual budget will specifically outline the timeframe and plan for fund balance replenishment.

Revenue Policies

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

FINANCIAL POLICIES

- 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 every three (3) years to ensure that DCTA maintains a competitive position in the market, with a goal to stay at the mid-point of the market range.

Accounting, Auditing and Financial Reporting

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

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

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

Budget and Operating Policies

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

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- 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 Expenses 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 in 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 in the revised budget process.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and cash flow model.
- e. Definitions:
 - i. Budget Amendment – Shall mean a change in the fiscal year budget based on the following criteria:
 - 1. Operating – an increase to the total bottom line operating fund expenditure budget
 - 2. 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.
 - 3. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e (i).
 - ii. 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.

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- f. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to recover and/or adjust to serious downturns effectively.
- g. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

Purchase and Disposal of Assets

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

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

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

Grant Funds: When procurement involves the expenditure of grant funds, 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 shall 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 minimize the use of debt to the effect that debt service payments will be a predictable and manageable part of the operating budget.
- B. Utilize debt as the last resort, to raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating)
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.

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- 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. Issuing debt on a competitive basis (except when conditions make a negotiated sale preferable) and awarding to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large; the project is speculative or complex; the issue is a refunding; or the market is unstable.
 - i. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
 - ii. Short-term borrowing will not be used for operating purposes.
- e. Complying with continuing disclosure reporting requirements and the obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors
- f. Ensuring no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- g. Limiting bonded indebtedness to a level that:
 - i. permits sufficient borrowing to support a reasonable level of capital programming,
 - ii. maintains a debt amortization schedule within DCTA's ability to pay
 - iii. supports DCTA's credit rating objectives.
- h. Considering credit enhancements only after a cost/benefit analysis has been completed for each bond issue.
- i. Maintaining debt service reserve accounts as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
- j. Maintaining debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

THE INVESTMENT POLICY IS ADOPTED ANNUALLY BY SEPARATE ACTION OF THE BOARD OF DIRECTORS AND IS INCLUDED HERE FOR REFERENCE.

I. POLICY STATEMENT

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

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

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to be in 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 reflects diversity by market sector, type of credit, and length of maturity as best meets DCTA's requirements. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

Safety of Principal

Safety of principal is the foremost objective. Investments of DCTA's cash shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

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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

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

Diversification

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

Yield

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

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

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

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. The Investment Officer is responsible for investment management decisions and activities according to this Investment Policy. The Investment Officer is also responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All

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participants in the investment process shall seek to act responsibly as custodians of the public trust.

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

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

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

Authorization Resolution

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

VI. PRUDENCE

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

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

Limitation of Personal Liability

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

VII. INTERNAL CONTROLS

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of DCTA. The controls shall be designed to prevent loss of

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public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees of DCTA. Results of review of internal controls by the independent auditor shall be included in the annual audit.

Cash Flow Forecasting

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

VIII. AUTHORIZED INVESTMENTS

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

A. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO's), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted 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 principal and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the DCTA Board or a selected depository institution with its main office or branch office in Texas. 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; and

E. Constant dollar Texas Local Government Investment Pools as defined by the Public Funds Investment Act.

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

Competitive Bidding Requirements

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

Delivery versus Payment

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

IX. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

All investments will be made through either DCTA's banking services bank or 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 and disclose certain criteria as determined by the Investment Officer including:

- A. an audited financial statement each year,
- B. proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of CRD number,
- C. proof of current registration with the State Securities Commission, and
- D. Completion of DCTA questionnaire.

Every broker/dealer and bank with which DCTA transacts business will be provided a copy of this Investment Policy to assure they are familiar with the goals and objectives of DCTA's investment program. A representative of the 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 shall not have discretionary authority to transact business on behalf of DCTA.

If DCTA has contracted with a Registered Investment Advisor for the management of its funds, the advisor shall be responsible for performing due diligence on and maintaining a list of

FINANCIAL POLICIES

broker/dealers with which it shall transact business on behalf of DCTA. The advisor shall recommend broker selection criteria to DCTA's Investment Officer for approval. The advisor shall annually present a list of its authorized broker/dealers to DCTA for review and likewise shall return a signed certification stating that the advisor has reviewed the DCTA investment policy and has implemented reasonable procedures and controls to preclude imprudent investment activities. The advisor shall obtain and document competitive bids and offers on all transactions and present these to DCTA as part of its trade documentation.

X. DIVERSIFICATION AND MATURITY LIMITATIONS

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

<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:

- A. invest more than 20% of the portfolio for a period greater than one (1) year
- B. invest any portion of the portfolio for a period of greater than two (2) years.

XI. SAFEKEEPING AND COLLATERALIZATION

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

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

FINANCIAL POLICIES

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

Collateralization

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

To provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 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(s)
- C. contain a summary statement that presents :
 - a. beginning book and market value for the reporting period;
 - b. ending book and market value for the reporting period; and
 - c. fully accrued interest for the reporting period;
- D. state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- E. state the maturity date of each separately invested asset that has a maturity date;
- F. state the account or fund for which each investment security was purchased;
- G. compare the portfolio's performance to other benchmarks of performance; and
- H. state the compliance of the investment portfolio with DCTA Investment Policy, Investment Strategy, and the Public Funds Investment Act.

XIII. DEPOSITORIES

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

FINANCIAL POLICIES

XIV. TRAINING REQUIREMENT

The DCTA Investment Officer(s) 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 the ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which personal business is conducted. Further disclosure shall also be made of any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of DCTA.

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

XVI. SUBJECT TO AUDIT

A formal annual review of the investment reports will be performed by an independent auditor with the results reported to the Board. All collateral shall be subject to inspection and audit by 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 suggested changes to the policy will be approved by the Board.

Previous Action:

Adopted November 19, 2015

Attachment 1

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

BUDGET CONTINGENCY PLAN

DCTA BUDGET CONTINGENCY PLAN
FY2017

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 (\$492,492)

- 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 (\$738,738)

- 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 (\$984,984)

- 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

OPERATIONAL STATISTICS

SYSTEM ON-TIME PERFORMANCE

- FY 2016 YTD “On Time Performance” (OTP) for the A-train is 98.9%
- FY 2016 YTD “On Time Performance” (OTP) for Connect service is 84.57%. On-time performance has been adjusted to properly reflect departures from each bus stop as well as the final destination.

RIDERSHIP PERFORMANCE

Year to Date Change in Ridership by Service Type

Service	% Change FY 2015 to FY 2016	Color Indicator	Notation No.
All Bus & Rail	-1.69		1
Rail	-1.83%		2
All Bus	-1.66%		3
Connect	-6.76%		3
UNT	-0.49%		4
NCTC	14.07%		
Access	3.40%		
Frisco Demand Responsive	N/A		

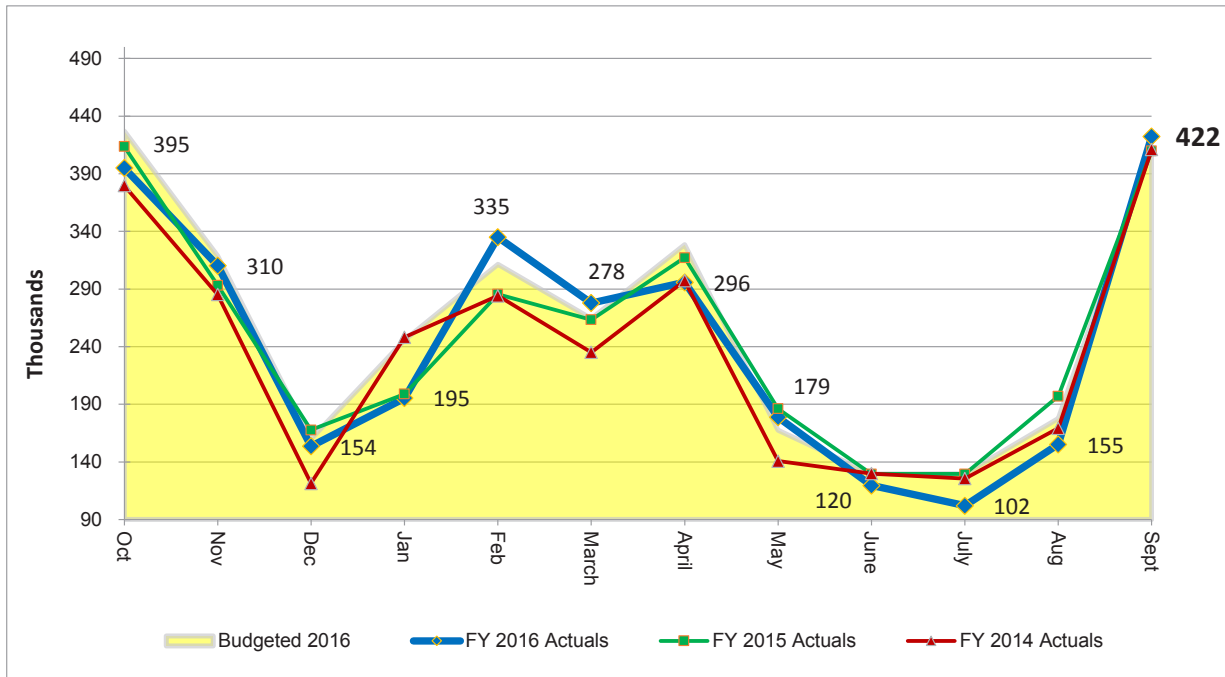
1. September 2016, boardings for All Bus & Rail decreased YTD compared to FY 2015 due to a combination of fewer days of service and declining gasoline prices relative to the same period in FY 2015.
2. Rail Ridership YTD declined relative to YTD 2015.
3. Connect ridership continues to decline YTD compared to the same period in FY 2015.
4. YTD, UNT ridership also declined due to falling gasoline prices. Adjustment made to UNT FY 2015 ridership to remove special movement ridership numbers included in UNT totals, and reassigned to All Bus totals consistent with reporting format for all previous months.

Color Key

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

OPERATIONAL STATISTICS

Rail and All Bus: Total Boardings



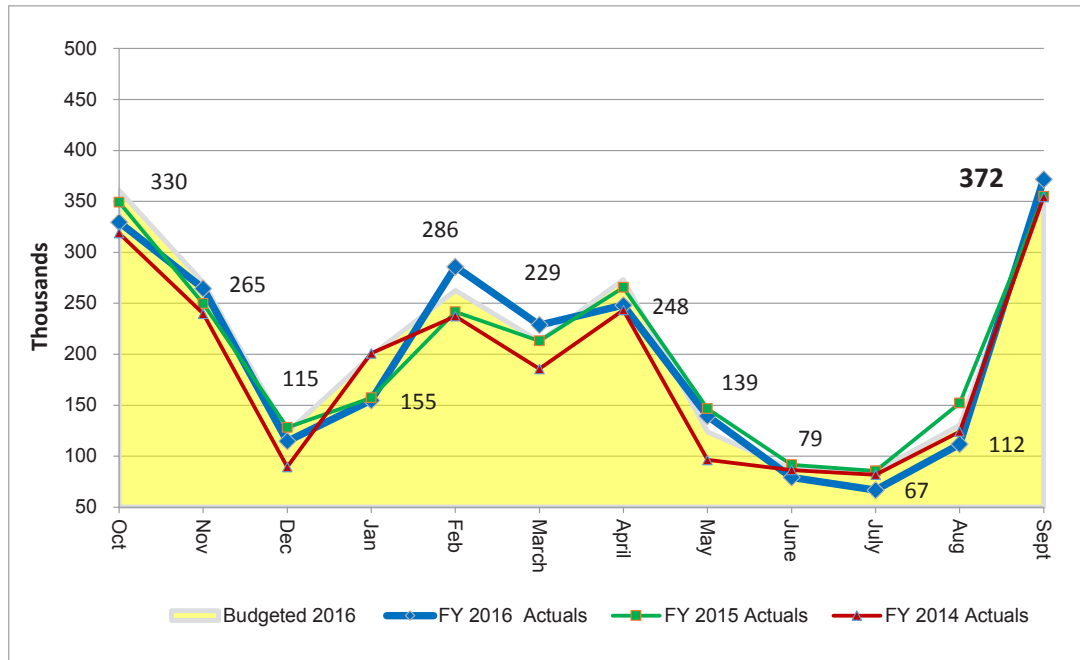
Note: Statistics include A-train, Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

Rail and All Bus: Total Boardings

- September 2016 Rail and Bus boardings increased from the previous month, as well as from the same period in FY 2015.
- However, YTD boardings still decreased by 1.69% (or 50,586 boardings) compared to the same period in FY 2015.
- Declining gasoline prices contributed to this overall decrease in boardings.

OPERATIONAL STATISTICS

All Bus: Total Boardings



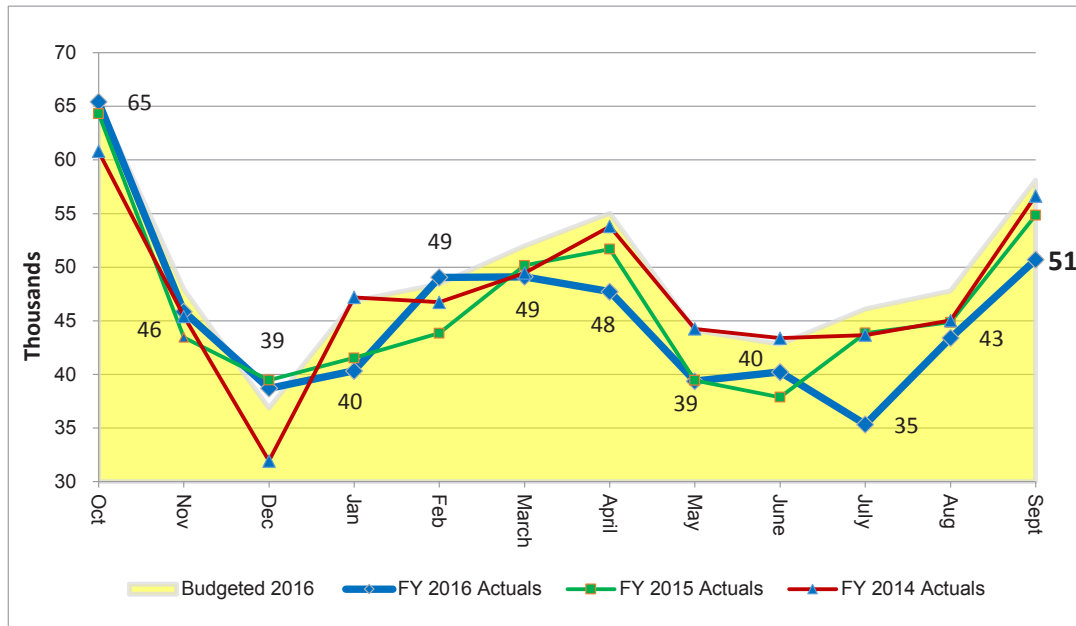
Note: Statistics include Connect, UNT, NCTC, Access, Connect RSVP, Frisco Demand Response Service, Highland Village Service, and special movement services. For display purposes, the Y axis origin has been modified.

All Bus: Total Boardings

- Boardings for September 2016 were up 16,591 over September 2015.
- Special Movements in September included transportation for UNT orientation sessions which accounted for 1,908 additional boardings.
- YTD NCTC boardings grew by 14.07% (or 2,461 boardings). This increase may be attributed to higher enrollment compared to the same period in FY 2015.
- While September 2016 ridership increased from the previous month, this was not sufficient to make up decreases seen in prior months. As a result, All Bus boardings YTD decreased by 1.66% (or 40,413 boardings) compared to the same period in FY 2015.

OPERATIONAL STATISTICS

Rail: Total Boardings



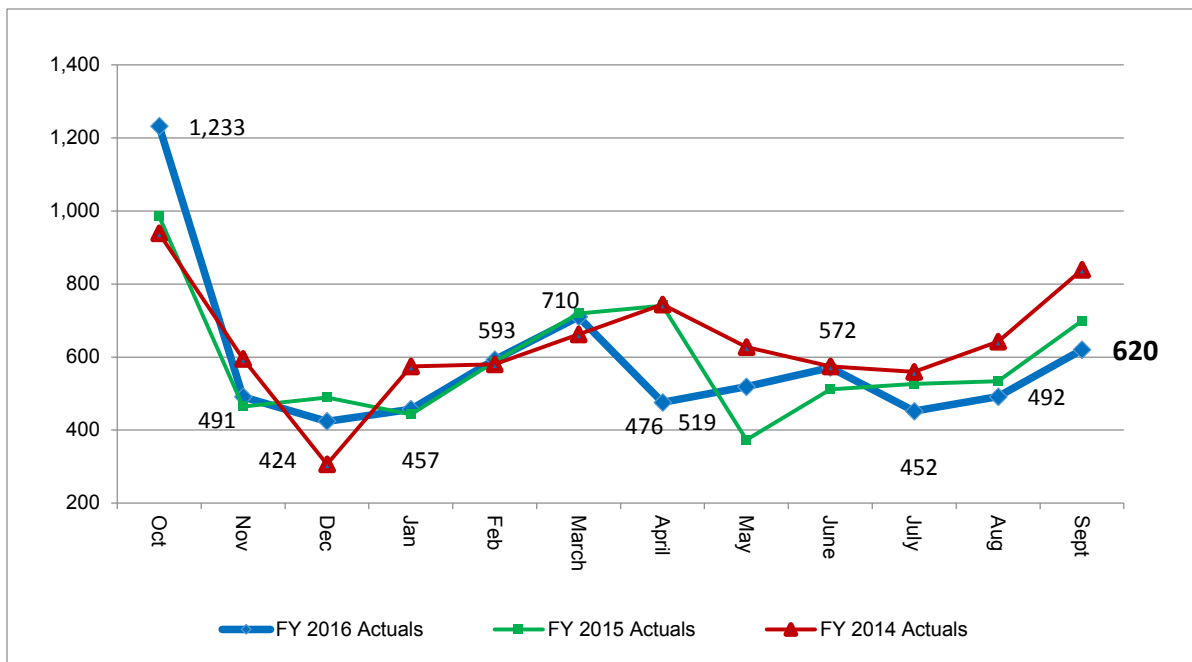
Note: For display purposes, the Y axis origin has been modified.

Rail: Total Boardings

- September 2016 weekday rail boardings increased over the previous month. However, this was not a sufficient increase to make up for declines in prior months.
- As a result, total weekday ridership YTD decreased by 1.83% (or 10,173 boardings) compared to the same period in FY 2015. This decline may be attributed to a decline in gasoline prices.
- On average, the passengers per weekday YTD decreased by 1.95% (or 40 boardings per weekday) over the same period in FY 2015.

OPERATIONAL STATISTICS

Rail: Saturday Average Boardings



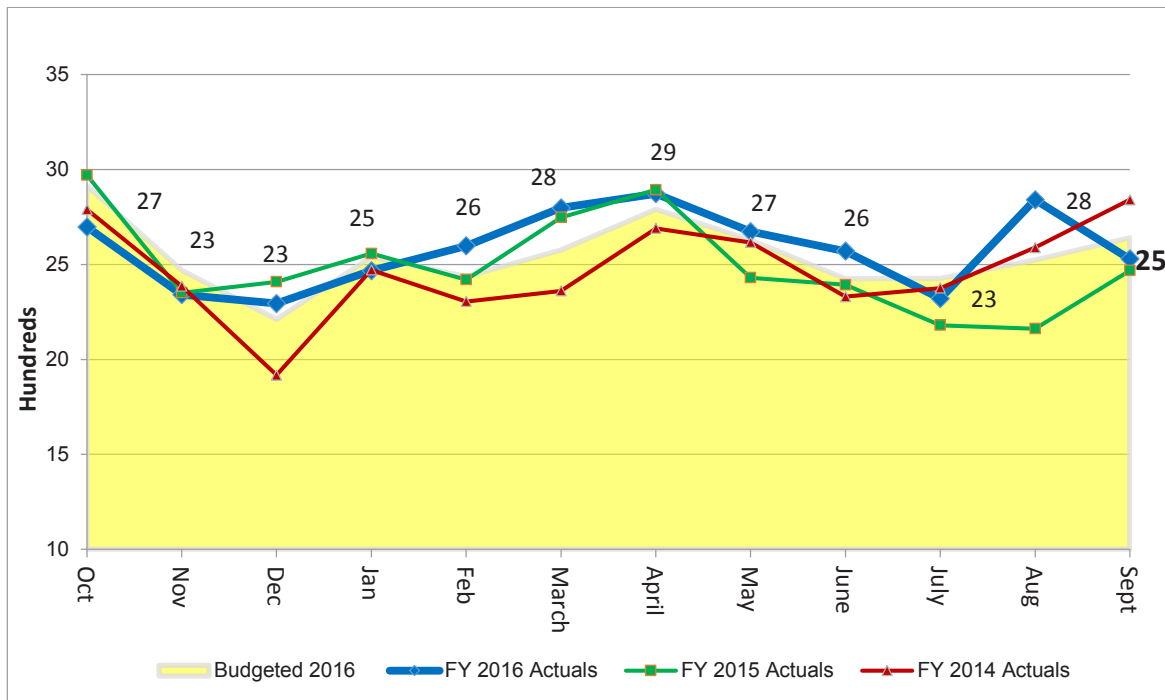
Note: For display purposes, the Y axis origin has been modified.

Rail: Saturday Average Boardings

- In September 2016, Saturday boardings increased from the prior month, and YTD Saturday boardings increased by 1.99% (or 1,181 boardings) compared to that same period in FY2015.

OPERATIONAL STATISTICS

Access: Total Boardings



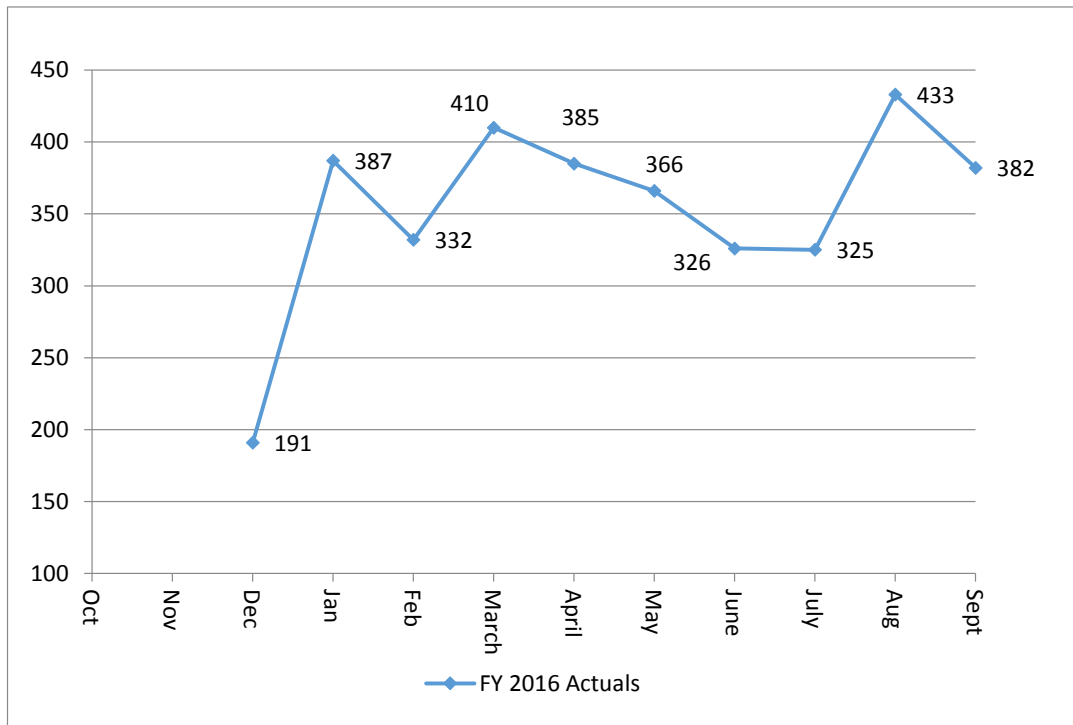
Note: For display purposes, the Y axis origin has been modified.

Access: Total Boardings

- While September 2016 ridership decreased, total boardings YTD have increased 3.4% (or 1,019 boardings) compared to the same period in 2015.

OPERATIONAL STATISTICS

Frisco Demand Response Service: Total Boardings



Frisco Demand Response Service: Total Boardings

- In September, Frisco Demand Response Service ridership decreased 11.8% (or 51 boardings), which was the result of 2 less service days.

OPERATIONAL STATISTICS

Highland Village Services: Total Boardings

- Service was initiated in Highland Village on Monday, April 4.
- Services provided includes Community On-Demand Same Day, Community On-Demand Next Day, and Connect Shuttle.
- A total of 422 one-way trips were provided in September 2016.
- Highland Village ridership will be provided in table format (see below) until a full year of data is available for annual comparison purposes.

HIGHLAND VILLAGE SUMMARY REPORT				
<i>Month</i>	Total	Community On-Demand		Connect Shuttle
		Same Day	Next Day	
<i>September</i>	422	66	179	177
<i>August</i>	337	75	176	86
<i>July</i>	256	31	176	49
<i>June</i>	310	31	189	91
<i>May</i>	286	24	194	68
<i>April</i>	196	10	138	48

OPERATIONAL STATISTICS

Operational Statistics

	FY 2014 Actual	FY 2015 Actual	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	% CHANGE FY16 Actual v. FY17 Budget
PASSENGERS						
A-train	568,338	555,423	591,398	545,250	555,423	1.87%
Access	29,673	29,984	30,584	31,003	29,984	-3.29%
Connect	595,390	589,404	601,403	549,531	589,043	7.19%
RSVP/ Highland						
Village	2,872	2,162	2,201	2,845	2,845	0.00%
UNT	1,617,002	1,800,332	1,830,593	1,788,877	1,763,363	-1.43%
NCTC	14,264	17,489	17,839	20,250	19,238	-5.00%
Frisco				3,537	4,140	17.05%
TOTAL	2,827,539	2,994,794	3,074,018	2,941,293	2,964,036	0.77%
PASSENGERS						
REVENUE VEHICLE MILES						
A-train	313,062	326,217	340,596	334,468	391,642	17.09%
Access	221,328	209,445	211,539	219,186	224,715	2.52%
Connect	675,754	745,349	753,316	766,111	772,365	0.82%
RSVP/ Highland						
Village	14,875	16,620	16,786	64,523	64,523	0.00%
UNT	496,709	572,469	566,525	584,348	538,080	-7.92%
NCTC	51,274	80,565	81,370	90,295	119,398	32.23%
Frisco				34,819	43,338	24.47%
TOTAL REVENUE	1,773,001	1,950,665	1,970,133	2,093,750	2,154,062	2.88%
MILES						
REVENUE HOURS						
A-train	12,215	13,149	14,183	13,580	13,436	-1.06%
Access	16,042	16,050	16,210	17,948	17,214	-4.09%
Connect	56,313	61,728	62,385	63,554	64,086	0.84%
RSVP/ Highland						
Village	1,565	1,565	1,580	7,195	7,195	0.00%
UNT	46,263	51,370	50,000	54,784	50,000	-8.73%
NCTC	2,360	4,156	4,197	4,790	6,029	25.87%
Frisco				2,469	2,775	12.40%
TOTAL REVENUE	134,758	148,017	148,556	164,320	160,735	-2.18%
HOURS						
PASSENGERS PER REVENUE HOUR						
A-train	46.53	42.24	41.70	40.15	41.34	2.96%
Access	1.85	1.87	1.89	1.73	1.74	0.84%
Connect	10.57	9.55	9.64	8.65	9.19	6.30%
RSVP/ Highland						
Village	1.84	1.38	1.39	0.40	0.40	0.00%
UNT	34.95	35.05	36.61	32.65	35.27	8.01%
NCTC	6.04	4.21	4.25	4.23	3.19	-24.53%
Frisco				1.43	1.49	4.13%
AVERAGE	20.98	20.23	20.69	17.90	18.44	3.02%

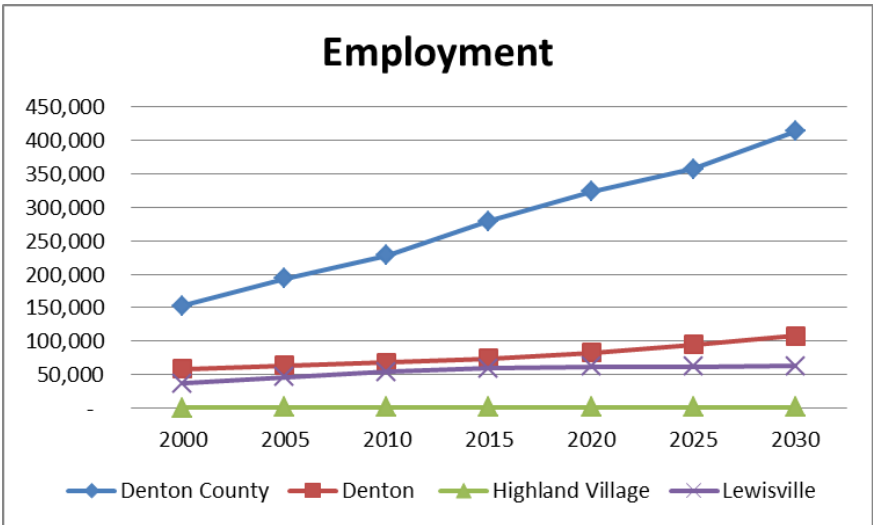
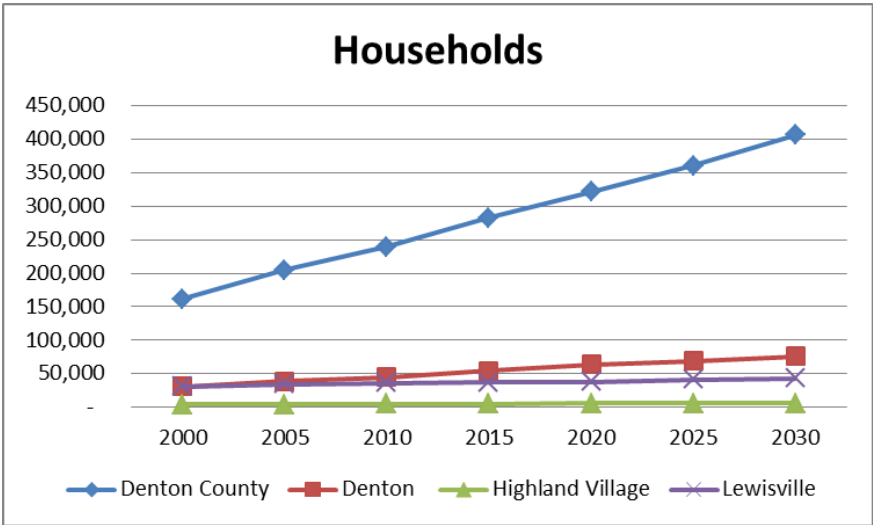
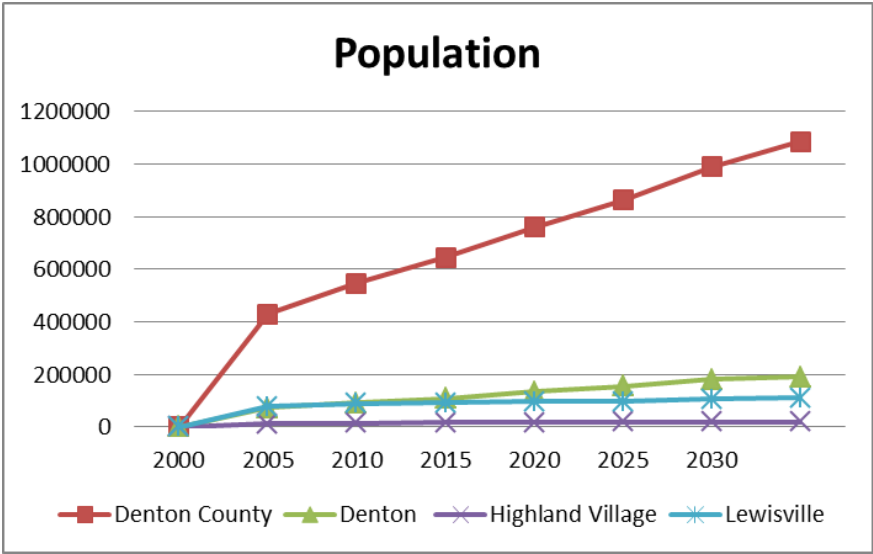
DENTON COUNTY COMMUNITY PROFILE

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 COMMUNITY PROFILE



PRINCIPAL EMPLOYERS IN DENTON COUNTY
September 30, 2016

10 Largest Employers	Industry	Rank	2016
			Estimated Number of Employees
University of North Texas	Education	1	8,887
Denton Independent School District	Education	2	3,800
Wal-Mart (Distribution Center & Stores)	Retail	3	3,722
Peterbilt Motors	Manufacturing	4	2,100
Lewisville Independent School District	Education	5	2,061
Northwest Independent School District	Education	6	2,000
Nebraska Furniture Mart	Retail	7	2,000
Texas Woman's University	Education	8	1,787
Denton County	County Government	9	1,625
Denton State School	State Government	10	1,500
City of Denton	Local Government	11	1,300
Texas Health Presbyterian Hospital	Hospital	12	1,074
Denton Regional Medical Center	Hospital	13	1,000
			32,856

Sources: Denton County Budget Department

RESOLUTION ADOPTING FY 2017 OPERATING AND CAPITAL BUDGET

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 16-06**

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 2016-2017, BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017; 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 2016-2017; 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 2016–2017 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 2016-2017, the Budget Contingency Plan FY 2016-2017, 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.

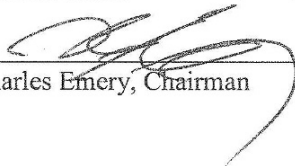
SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2015-2016 are hereby ratified, and the budget for fiscal year 2015-2016, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

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

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 22ND DAY OF SEPTEMBER, 2016.

APPROVED:




Charles Emery, Chairman

ATTEST:



Richard Huckaby, Secretary

APPROVED AS TO FORM:



Peter G. Smith, General Counsel
(PGS: 9-13-16:TM 79120)

RESOLUTION ADOPTING FY 2017 OPERATING AND CAPITAL BUDGET

FY17 Budget Revenue Projections

BOD RM 2(a) - Exhibit A-

<i>Bus Operations</i>				
Revenue Source	FY15 Actuals	FY16 Original Budget	Actuals as of June 30, 2016	Proposed FY17
Passenger Revenues				
Connect	\$ 558,017	\$ 591,052	\$ 408,226	\$ 560,511
Frisco	\$ -	\$ -	\$ 3,564	\$ -
Access	83,860	77,179	61,165	76,360
UNT	30,918	-	-	-
NCTC	-	-	-	-
Total Passenger Revenues	672,795	668,232	472,956	636,871
Contract Services				
Connect	\$ 57,000	\$ 49,000	\$ 8,000	\$ 49,000
Frisco	\$ -	\$ -	\$ 197,736	\$ 242,084
UNT	2,345,817	2,473,267	2,117,208	2,686,482
UNT Fuel (Direct Pass Thru)	347,586	524,822	174,870	406,203
NCTC	162,124	162,956	148,425	198,790
NCTC Fuel (Direct Pass Thru)	22,843	53,642	12,536	67,428
Total Contract Services	2,935,371	3,263,687	2,658,775	3,649,987
Total	\$ 3,608,166	\$ 3,931,919	\$ 3,131,731	\$ 4,286,858
<i>Rail Operations</i>				
Revenue Source	FY15 Actuals	FY16 Budget	Actuals as of June 30, 2016	Proposed FY17
Rail Farebox	\$ 806,043	\$ 874,678	\$ 585,444	\$ 809,137
Total	\$ 806,043	\$ 874,678	\$ 585,444	\$ 809,137
<i>G&A</i>				
Revenue Source	FY15 Actuals	FY16 Budget	Actuals as of June 30, 2016	Proposed FY17
Interest Income	\$ 24,772	\$ 20,000	\$ 42,585	\$ 40,000
Fare Evasion Fee	1,275	1,500	1,725	1,500
Sales Tax	23,261,746	23,067,404	17,994,003	24,624,601
Federal Operating Grants	4,942,308	4,643,442	964,356	5,626,928
Federal Capital Grants	1,285,089	6,109,915	3,217,202	9,733,804
State Operating Grants	43,600	-	73,596	-
State Capital Grants	1,351,867	-	243,892	2,844,087
Debt Issuance	-	-	-	-
Total	\$ 30,910,657	\$ 33,842,261	\$ 22,537,358	\$ 42,870,920
TOTAL REVENUES	\$ 35,324,866	\$ 38,648,858	\$ 26,254,533	\$ 47,966,915

RESOLUTION ADOPTING FY 2017 OPERATING AND CAPITAL BUDGET

Board of Directors RM 2017 - Exhibit A-2

9/14/2016

Deion County Transportation Authority

Fiscal Year 2017 Budget (Including Depreciation)

Description	FY16 Actuals	FY16 Original Budget	FY16 Revised Budget June 30, 2016	FY17 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)	Notes
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	672,105	960,231	669,221	472,466	636,871	(31,260)	-3%
Passenger Revenues (Rail Farebox)	890,043	874,678	874,678	899,137	895,541	(65,541)	-7%
Contract Service Revenue	2,895,371	3,263,897	3,524,517	2,658,775	3,639,887	115,410	3%
Total Revenue & Other Income	4,414,359	4,308,596	5,077,425	3,727,175	5,095,955	48,559	3%
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	2,103,804	2,043,498	2,054,120	1,745,104	3,003,737	559,632	22%
Services	948,337	1,412,474	1,508,500	909,502	1,574,450	66,550	4%
Materials and Supplies	172,835	230,700	239,700	106,470	118,862	(130,718)	-50%
Utilities	31,814	54,240	54,240	11,792	27,000	(26,649)	-49%
Insurance, Casualties and Losses	11,859	11,826	11,638	8,965	13,568	1,872	17%
Purchased Transportation Services	158,025	200,500	200,500	159,375	167,368	(19,123)	-9%
Miscellaneous	134,740	210,694	205,729	87,021	312,550	106,832	51%
Leases and Rentals	118,160	107,976	107,979	97,295	123,881	16,015	15%
Depreciation	-	33,333	-	-	28,333	(5,000)	-15%
Subtotal - G&A	3,676,837	4,020,932	4,362,179	2,072,496	5,400,030	577,851	12%
BUS SERVICES							
Salary, Wages and Benefits	5,987,867	8,461,161	8,586,471	4,075,300	7,603,917	1,338,446	16%
Services	505,868	774,150	775,608	504,474	755,241	(20,677)	-3%
Materials and Supplies	1,449,968	2,242,594	1,903,023	835,499	2,181,725	548,732	39%
Utilities	149,343	170,732	175,732	104,651	154,420	(13,112)	-7%
Insurance, Casualties and Losses	282,526	280,256	269,255	227,639	316,556	27,731	10%
Purchased Transportation Services	-	47,900	46,010	21,174	58,100	10,900	21%
Miscellaneous	30,854	6,000	34,000	24,394	43,308	9,308	27%
Leases and Rentals	6,443	1,977,896	1,953,887	1,210,250	2,252,239	308,472	15%
Depreciation	1,620,053	1,977,738	1,953,887	1,210,250	2,252,239	308,472	15%
Subtotal - Bus Services	10,072,150	11,067,738	11,254,968	7,822,552	13,336,495	1,331,470	17%
RAIL SERVICES							
Salary, Wages and Benefits	217,500	287,541	299,419	225,291	315,352	16,833	5%
Services	1,205,341	246,100	259,175	370,716	276,155	6,300	2%
Materials and Supplies	955,430	1,301,000	642,769	424,697	1,118,657	475,858	74%
Utilities	280,724	280,399	280,399	150,078	289,044	8,655	3%
Insurance, Casualties and Losses	455,346	469,334	469,334	377,596	533,640	24,306	5%
Purchased Transportation Services	8,922,864	11,427,274	10,477,021	7,759,423	9,375,686	(1,351,638)	-10%
Miscellaneous	20,860	13,648	13,653	10,254	14,245	1,053	8%
Leases and Rentals	2,069	102,207	2,207	1,655	2,208	1	0%
Depreciation	7,719,452	8,023,076	8,023,076	5,424,467	8,649,118	48,542	0%
Subtotal - Rail Services	20,833,000	22,430,424	20,954,655	14,502,036	20,954,115	(499,851)	-2%
Total Operating Expenses	34,672,095	30,020,254	36,022,430	25,392,674	38,831,900	2,000,470	5%
Income Before Non-Operating Revenue & Exp	(30,157,886)	(64,219,658)	(31,745,004)	(21,975,499)	(36,735,959)		
Non-Operating Revenues / (Expenses)							
Investment Income	24,172	20,000	20,000	42,588	40,000	20,000	100%
Non-Operating Revenues / (Expenses)	147,360	1,500	1,500	169,093	1,500	-	0%
Sales Tax Revenue	22,281,718	22,067,404	23,067,403	17,964,020	24,624,011	1,557,198	7%
Federal Grants & Reimbursements	6,227,387	10,750,357	12,625,851	4,457,558	15,800,732	2,755,851	22%
State Grants & Reimbursements	1,385,467	-	227,029	377,468	2,844,697	2,617,058	1153%
Debt Insurance	(1,211,890)	(1,159,422)	(1,159,422)	(997,124)	(1,038,412)	59,010	-5%
Long Term Debt Interest Expense	29,841,544	37,885,839	34,105,161	21,773,093	41,772,538	8,387,357	37%
Total Non-Operating Revenue / (Expense)	(311,042)	(1,633,819)	3,040,167	102,693	8,036,603		
Change in Net Position							
Net Position - Beginning of Year:							
Net Position - End of Year:							
Transfer to Capital Projects							
Net Position After Capital Project Transfer							

RESOLUTION ADOPTING FY 2017 OPERATING AND CAPITAL BUDGET

BOD RM 2(a) - Exhibit B

Capital Improvement Plan

Project Name		Project Number	Project Budget	Project LTD thru FY 2014	FY 2015 Actuals	FY 2016 Projected	FY 2017 Proposed	FY 2018	FY 2019	FY 2020	Anticipated Project Total (Thru 2020)
Bus Services											
Bus Operations & Maintenance Facility		50301	11,497,555	11,328,630	635	168,290					11,497,555
Fleet Replacement (2015)		50505	1,634,000		62,000	1,572,000					1,634,000
Bus Radios		50408	106,753	2,332	104,422						106,753
Scheduling Software		50601	250,000			20,000	230,000				250,000
Transit Enhancements (2015-2016)		50204	165,000		4,601	100,582	59,817				165,000
Bus Fleet Cameras		50409	149,500				149,500				149,500
Fleet (2016)		50507	1,250,000				2,800,000				2,800,000
TAPS Bus Purchase		50508	139,000			139,000					139,000
AVL & Farebox Systems		NEW	200,000				200,000				200,000
ICMF Louisville - Fuel Tanks		NEW	250,000				250,000				250,000
Fleet (Out Years)								250,000	2,400,000	2,500,000	6,200,000
Fleet Farebox Replacement								3,300,000	1,200,000		1,200,000
Rail Services											
Passenger Information		60701	96,821	57,670	3,740	35,410					96,821
Positive Train Control Preparation		61406	1,346,527	1,170,664	175,863						1,346,527
Positive Train Control Implementation		61406.1	16,720,141			3,374,682	7,486,472	5,858,677			16,720,141
Louisville Bike Trail		61708	3,099,856	649,338	1,328,081		171,437				3,099,856
Rail Maintenance of Equipment		61712	1,302,627	137,849	828,407	338,371					1,302,627
Rail Single Car Operations		61503	26,221	22,169	4,052						26,221
GTW Wheel Work		61505	915,041		441,057	473,984					915,041
Shunt Enhancement		61407	96,546		96,546						96,546
T. Mills Crew Facility		61209	250,000		32,528	117,472	100,000				250,000
Station Landscaping		61210	485,000		25,455	459,545					485,000
Rail Drainage Improvement		61104	429,980		386,470						429,980
Rail Mobilization (2015)		61604	2,119,517			2,119,517					2,119,517
Disaster Recovery		61713	300,000		215,791	84,209					300,000
Rail Facility Flume Repair (2015 Flood)		61713.1	325,482				240,482				325,482
Grade Crossing Replacements (2015 Flood)		61713.2	2,157,760			100,000	2,057,760				2,157,760
Hebron Signal House (2015 Flood)		61713.3	122,000			122,000					122,000
Ballast Undercutting (2015 Flood)		61713.4	761,600			761,600					761,600
Pockrus Page (2015 Flood)		61713.5	623,000			75,000	548,000				623,000
Rail Capital Maintenance		61714	745,000			745,000	3,370,430	3,330,999	2,000,000	3,293,971	13,340,400
Stadler Spare Parts		61506	96,000			96,000					96,000
ABB Stadler Spare Parts		61507	276,000			276,000					276,000
Trail Safety Improvements		61715	139,657				139,657				139,657
Fare Collection Systems		61401	733,104	649,943	14,000		69,161				733,104
Stadler Fleet Emergency Lighting		61508	190,000			190,000					190,000
Louisville Bike Trail - Eagle Point Section		61716	2,995,873			100,000	2,895,873				2,995,873
GLA											
COGNOS Report Writing Application		10601	200,000				200,000				200,000
Comprehensive Service Analysis		10602	420,222		76,210	123,790	146,815	73,407			420,222
Legal Support		10603	226,553		10,915	215,638					226,553
Shortel Phone System		10402	85,000			85,000					85,000
Louisville Facilities Study		10301	100,000			100,000					100,000
Safety & Security (Agency-Wide)		NEW	250,000				250,000				250,000
Infrastructure Acquisition		NEW	1,900,000				1,900,000				1,900,000
Project Management/Document Control		NEW	150,000				150,000	150,000	150,000	150,000	600,000
TOTAL			\$ 55,327,336	\$ 14,018,595	\$ 3,619,773	\$ 12,283,347	\$ 24,793,967	\$ 12,963,083	\$ 5,750,000	\$ 5,943,971	\$ 79,572,736

RESOLUTION ADOPTING FY 2017 OPERATING AND CAPITAL BUDGET

Board of Directors RM 2(a) - Exhibit C

	Audited 2015*	Adopted 2016	Projected 2016	2017	2018	2019	2020	2021	2022
OPERATING REVENUES									
Beginning Fund Balance:	\$20,655,596	\$25,789,446	\$25,789,446	\$21,659,394	\$13,466,767	\$11,426,697	\$11,859,322	\$12,625,571	\$15,119,751
Bus Operating Revenue	\$3,008,196	\$4,302,748	\$4,302,748	\$4,296,658	\$4,402,726	\$4,521,943	\$4,705,575	\$4,836,440	\$4,968,998
Rail Operating Revenue	600,043	974,678	974,678	836,137	817,229	825,431	816,155	825,357	834,610
NON-OPERATING REVENUES									
State Grants	23,261,746	23,097,494	23,097,494	24,624,061	26,809,685	28,433,898	27,699,397	26,807,300	28,659,620
Fuel Tax Grants (Operating)	4,985,906	4,717,039	3,798,025	3,492,546	5,703,255	5,765,515	6,243,517	5,326,066	4,981,394
Interest Income Non RTRF Funds	24,772	20,000	20,000	40,000	1,500	34,296	36,578	37,877	45,358
Misc. Revenue	198,175	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Restricted RTRF Interest Income									
Total Revenues	32,895,811	32,883,368	31,952,255	33,242,342	36,575,195	37,782,614	38,905,662	36,941,570	40,839,422
OPERATING EXPENSES									
Bus Operating Expense	8,444,037	9,501,037	9,501,037	11,124,167	11,864,182	12,439,021	12,991,769	13,338,362	13,616,551
Rail Operating Expense	1,876,453	1,876,453	1,876,453	1,876,453	1,876,453	1,876,453	1,876,453	1,876,453	1,876,453
GA Operating Expense	3,978,937	4,985,450	4,609,450	5,452,296	5,505,807	5,694,395	5,886,173	6,093,469	6,304,587
NON-OPERATING EXPENSES									
Non-Operating (Income) / Expense	51,815								
Total Expenses	25,280,406	26,362,937	26,006,937	28,592,160	29,246,042	31,187,775	32,106,102	33,228,005	34,266,387
NET INCOME	7,595,405	6,520,431	5,945,318	4,650,182	7,329,153	6,594,839	6,799,560	3,713,565	6,573,035
CAPITAL OUTLAY									
Bus Capital Expenditure	657,054	476,189	268,872	226,317	-	2,400,000	1,200,000	400,000	1,000,000
Bus Fleet Replacement Expense	198,956	2,981,000	1,771,000	2,800,000	1,000,000	-	-	-	-
Professional Services / Technology Improvements	79,550	1,100,000	576,615	576,615	73,407	-	-	-	-
State Grants (Capital)	-	130,000	190,000	-	-	-	-	-	-
Right of Way	-	136,857	-	136,857	-	-	-	-	-
Rail Capital Expenditure (LV Hire & Bike)	1,329,081	1,221,437	271,437	3,845,673	-	-	-	-	-
Rail Capital Expenditure (Community Enhancements)	268,779	31,073	577,017	198,161	-	-	-	-	-
HV Parking Expansion	31,073	746,178	577,017	198,161	-	-	-	-	-
Rail Station Improvements	71,983	33,510	33,510	-	-	-	-	-	-
Rail MOW	337,255	812,356	812,356	-	-	-	-	-	-
State Grants	100,598	-	-	-	-	-	-	-	-
Single Car Operations / Shunt Enhancement	121,000	1,117,000	1,117,000	3,970,430	3,350,989	2,000,000	3,295,971	2,000,000	2,648,388
Re-Rolling Equipment	-	-	-	-	-	-	-	-	-
Rail Capital Maintenance	215,791	2,236,281	1,227,829	2,846,242	-	-	-	-	-
Disaster Recovery - 2015 Floods	-	2,119,517	2,119,517	-	-	-	-	-	-
Rail Mobilization	-	3,374,662	3,374,662	7,496,472	6,958,677	-	-	-	-
Positive Train Control	-	-	-	-	-	-	-	-	-
TIER 1 - Capital Requests	176,983	11,117,000	11,117,000	3,970,430	3,350,989	2,000,000	3,295,971	2,000,000	2,648,388
Signal & Safety (Active / Wad)	-	250,000	250,000	250,000	-	-	-	-	-
AVL & Farebox Systems	-	200,000	200,000	200,000	-	-	-	-	-
ICMF Louisville - Fuel Tanks	-	250,000	250,000	250,000	-	-	-	-	-
Infrastructure Acquisition	-	1,900,000	1,900,000	1,900,000	-	-	-	-	-
TIER 2 - Capital Requests	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Capital Request Document Control	-	-	-	-	-	-	-	-	-
Additional Fleet Procurement	-	-	-	-	-	-	-	-	-
Fleet Farebox Replacement	-	-	-	-	-	-	-	-	-
ICMF Louisville - Fuel Tanks	-	-	-	-	-	-	-	-	-
Total Capital Outlay	3,590,611	16,460,187	12,283,347	24,793,970	12,063,089	5,750,000	5,943,971	4,450,000	4,799,383
CAPITAL SOURCES									
State Grants (Capital)	1,823,881	1,823,881	1,823,881	5,986,178	4,886,942	-	-	-	-
FEM Insurance Reimbursements	1,765,427	1,029,055	1,029,055	2,134,982	-	-	-	-	-
Formula Grants (Capital)	2,636,956	4,526,336	2,859,655	8,698,713	2,384,941	2,350,341	1,994,068	3,023,489	3,603,748
Total Capital Sources	2,636,956	8,135,644	5,712,601	14,712,973	7,071,882	2,350,341	1,994,068	3,023,489	3,603,748
DEBT SERVICE									
2006 Issue (ST) Debt Service	761,492	1,716,387	1,716,387	1,713,987	1,717,580	1,714,697	1,715,209	1,713,925	1,715,945
2006 Refunding (ST) Debt Service	-	-	-	-	-	-	-	-	-
2011 Contractual Obligations (Vehicles)	336,945	783,555	783,555	770,183	775,785	785,781	794,355	808,368	815,838
2011 Contractual Obligations (PTC)	113,453	254,081	254,081	259,542	264,691	264,526	269,205	273,571	272,624
Total Debt Service	1,211,900	2,754,023	2,754,023	2,743,712	2,758,056	2,764,904	2,779,369	2,795,862	2,804,307
Internal Debt Service Coverage:	6.27	2.22	2.22	2.40	2.40	2.38	2.70	2.40	2.38
Outstanding Bond Principal as of September 30th (End of Each Fiscal Year)	-	-	-	\$28,740,000	\$27,020,000	\$25,330,000	\$23,360,000	\$21,405,000	\$19,370,000
Year End Audit Adjustment	25,789,446	20,906,611	21,629,394	13,466,767	11,426,697	11,859,322	12,625,571	15,119,751	17,645,839
Ending Fund Balance:	6,321,601	6,701,309	6,701,309	7,146,240	7,491,015	7,796,816	8,027,276	8,307,006	8,566,597
Less Restricted RTRF Interest Income	697,852	692,022	692,022	736,249	769,289	799,019	830,580	864,219	898,768
Less Required Fund Balance (OAM Reserve Policy):	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Less Fuel Stabilization Fund	636,664	3,951,050	3,951,050	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000	2,020,000
Less Capital Infrastructure	-	-	-	-	-	-	-	-	-
Net Available Cash	18,081,328	9,376,648	10,202,431	3,129,889	719,324	813,484	817,315	468,226	2,730,455

* FY2015 reconciled to audited financials

Board of Directors RM 2(a) – Exhibit D

DCTA Budget Contingency Plan FY2017

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 (\$492,492)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.

Board of Directors RM 2(a) – Exhibit D

- 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 (\$738,738)

- 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 (\$984,984)

- 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

GLOSSARY

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.

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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,

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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, Causalities 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.

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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.

An abstract graphic on a dark gray background. It features several thick, wavy lines in yellow, light blue, and dark green. A horizontal bar composed of small teal squares spans the width of the image. The text 'DCTA' is in the bottom left, with a white arrow pointing right from its base.

DCTA