

OPERATING & CAPITAL BUDGET
FISCAL YEAR ENDING SEPTEMBER 30, 2020

DENTON COUNTY TRANSPORTATION AUTHORITY
LEWISVILLE, TEXAS

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WHO WE ARE, WHAT WE DO

OUR MISSION

WE ARE COMMITTED TO IMPROVING MOBILITY, AIR QUALITY,
ECONOMIC DEVELOPMENT AND LIVABILITY IN THE AREAS WE SERVE.

WHAT DRIVES US

OUR VISION

TO BE A LEADER IN ADVANCING
PUBLIC TRANSPORTATION ALTERNATIVES.

CORE VALUES

SAFETY

IN ACCORDANCE WITH OUR SERVICE PLAN, OUR MOST IMPORTANT COMMITMENT IS PASSENGER SAFETY THROUGH THE STRICT ADHERENCE TO POLICIES AND PROCEDURES AND ONGOING EMPLOYEE TRAINING AND PROFESSIONAL DEVELOPMENT.

ACCOUNTABILITY

AS PUBLIC SERVANTS, DCTA EMPLOYEES AND BOARD OF DIRECTORS HOLD THEMSELVES ACCOUNTABLE TO THEIR CONSTITUENTS AND ARE COMMITTED TO BEING EXEMPLARY STEWARDS OF PUBLIC RESOURCES.

COMMITMENT

DCTA EMPLOYEES AND BOARD OF DIRECTORS ARE COMMITTED TO WORKING COLLABORATIVELY TO DELIVER THE COMPONENTS OF THE SERVICE PLAN IN A TIMELY MANNER TO SERVE THE MOBILITY NEEDS OF OUR PASSENGERS.

EXCELLENCE

ALWAYS IN THE PURSUIT OF EXCELLENCE, DCTA WILL CONSISTENTLY OFFER INNOVATIVE, EFFECTIVE AND QUALITY PUBLIC TRANSPORTATION ALTERNATIVES THAT WILL EXCEED CUSTOMER EXPECTATIONS.

INTEGRITY

IT IS INCUMBENT UPON DCTA EMPLOYEES AND BOARD OF DIRECTORS TO CONDUCT THEMSELVES IN A MANNER THAT UPHOLDS THE HIGHEST MORAL, LEGAL AND ETHICAL STANDARDS. WE ARE UNCOMPROMISING IN OUR COMMITMENT TO TRUTH, HONESTY, AND OPENNESS IN ALL RELATIONSHIPS AND INTERACTIONS.

RESPECT

WE BELIEVE THAT ALL OF OUR PASSENGERS ARE IMPORTANT AND THAT ALL OF OUR EMPLOYEES ADD VALUE. WE WILL TREAT PASSENGERS AND EMPLOYEES WITH DIGNITY AND ESTEEM.

OUR FOCUS

FY20 STRATEGIC GOALS

FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES

- EVALUATE AND IMPLEMENT SERVICE CHANGES
- IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE
- EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH

- LEVERAGE EXISTING A-TRAIN ASSETS
- EXPLORE NEW REGIONAL COMMUTER CORRIDORS

ADVANCE TRANSIT ORIENTED DEVELOPMENT PLANNING AND IMPLEMENTATION

- COUNTY-WIDE ECONOMIC DEVELOPMENT PLANNING
- WORK WITH CORRIDOR CITIES TO IMPLEMENT TOD

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND

- FOSTER A SERVANT LEADERSHIP CULTURE ACROSS THE ORGANIZATION
- ESTABLISH A COMPETITIVE TOTAL COMPENSATION PACKAGE WHICH ALIGNS WITH AND SUPPORTS A CULTURE OF INNOVATION AND PERFORMANCE
- ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY

- LEVERAGE AVAILABLE INDUSTRY TECHNOLOGY TO ENHANCE THE CUSTOMER SERVICE AND DATA COLLECTION PROCESSES
- EVALUATE FIXED-ROUTE SERVICES FOR TRANSITION TO ON-DEMAND ZONE SERVICES
- RECEIVE FEDERAL RAILROAD ADMINISTRATION POSITIVE TRAIN CONTROL CERTIFICATION AND APPROVAL OF POSITIVE TRAIN CONTROL SAFETY PLAN

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT

- GATHER STAKEHOLDER PRIORITY INITIATIVES AND INCORPORATE INTO THE AGENCY'S VISION AND STRATEGY
- DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS
- PROVIDE ACCURATE AND RELIABLE REVENUE AND EXPENDITURE FORECAST AND MAINTAIN BUDGET PRACTICES THAT ENSURE SUSTAINABILITY AND CONTINUITY OF PROGRAMS AND SERVICES
- LEVERAGE THE NORTH TEXAS MOBILITY CORPORATION TO ENSURE COSTS ARE ALLOCATED EFFICIENTLY BETWEEN MEMBER AND NON-MEMBER CITIES AND TO IMPROVE SERVICE DELIVERY



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denton County Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2018

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2018. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



AGENCY OVERVIEW



September 26, 2019

Board Chair and Members of the Board:

We are pleased to present to you the Fiscal Year 2020 Operating and Capital Budget for Denton County Transportation Authority (DCTA). Chapter 460 of the Texas Transportation Code 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, where current year revenues and reserve balances cover operating expenses and capital requirements for the fiscal year.

The FY2020 Budget reflects a full year of operations for DCTA that includes commuter rail service, fixed route bus services, paratransit demand response, general demand response, commuter vanpools, 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 over the next fifteen years. 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 expenses consistent with Board-adopted financial management policies.

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 DCTA's mission of improving mobility, air quality, economic development and livability in the areas we serve. The budget process includes development of department objectives and performance measures that are linked to overall agency goals. These objectives and performance measures are detailed in the Division Budgets section of this budget document.

The budget process is structured to allow staff, the Board of Directors, the public, and other stakeholders adequate time for review and analysis of the key components of the budget. With a focus on stakeholder value and shared vision for the future, DCTA engaged a consultant who met with member city staff in January to begin gathering input to frame the FY2020 budget development. This consultant also reviewed assumptions used in the Long Range Financial Plan and worked with staff to review and further develop capital maintenance plans for bus and rail operations. In April and May, service delivery objectives and related performance measures were defined. In July and August, staff and the Board of Directors reviewed reserve fund policies and escalation assumptions used in the development of the Long Range Financial Plan as well as developed and reviewed revenue projections, operating expenses, and capital requirements. A key component of the budget workshops is a review of the impact of current year budget decisions on the Long Range Financial Plan.

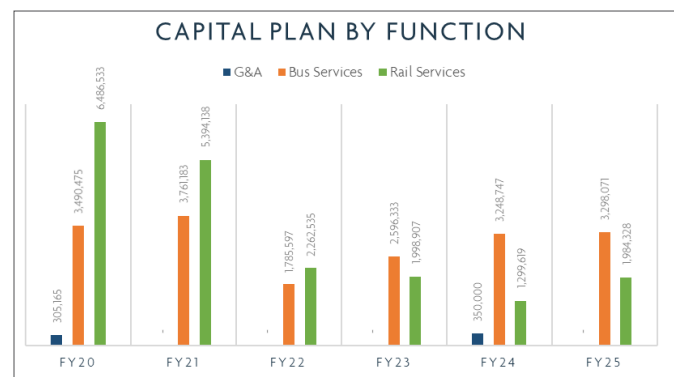
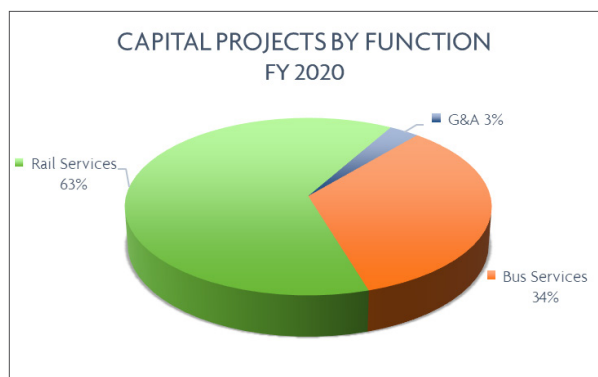
The proposed budget was presented for review and public comment at the Board's August meeting. The Board

BUDGET MESSAGE

adopted the FY2020 Operating and Capital Budget, the updated Long Range Financial Plan and the Budget Contingency Plan at the September 2019 meeting.

Development of the budget must balance the demand for more bus and rail service and continued maintenance of facilities and infrastructure with the financial constraint of limited funding. A detailed narrative of the assumptions that build this budget is provided on pages 45-49 of this document.

Capital projects represent a significant investment in developing and maintaining the agency's equipment and infrastructure in a state of good repair. Preparing a capital improvement plan allows the agency to anticipate and plan for the major capital improvements that will be needed in subsequent years. It allows staff to identify alternative funding sources as well as anticipated on-going operating costs of new capital projects. DCTA anticipates spending roughly \$10.3 million on current and new capital projects for FY2020.



DCTA is committed to rail safety and is working diligently to implement Positive Train Control (PTC) by the Federal Railroad Administration (FRA) deadline. PTC was designed to prevent collisions and other incidents by automatically detecting and controlling the movement of trains. DCTA finished testing of its PTC technology and the FRA approved the agency's Revenue Service Demonstration (RSD) application as of December 31, 2018. DCTA is currently operating in RSD (PTC turned on) during regularly-scheduled A-train service with passengers on board. The agency is the first in Texas to implement PTC on its entire commuter rail system. DCTA expects the FRA to certify its PTC technology by June 2020.

Total Hardware Installed	Onboard Hardware Installed	Wayside Hardware Installed	Sufficient RSD or Substitute Criteria Initiated?	Sufficient Employees Trained
100%	11/11	121/121	Yes	50/50
* Data from FRA's Fourth Quarter PTC Reports as of December 31, 2018				

The FY2020 budget includes completion of PTC implementation in FY2020 and enhancements to the PTC system, increased ongoing rail operating costs for PTC, scheduled bus fleet replacement, maintenance required for rail vehicles as well as the rail line, and completion of the Eagle Point section of the A-train Rail Trail.

In February 2019 the DCTA Board of Directors approved the North Texas Mobility Corporation Certificate of Formation and associated Bylaws. As a fully functional Limited Government Corporation (LGC), the NTMC now operates with a Board of Directors, appointed by the DCTA Board of Directors, and Board officers. It also has its own budget and contracting authority.

BUDGET MESSAGE

DCTA has entered into an Interlocal Agreement (ILA) with the NTMC to provide complete mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center. The purpose of creating NTMC was to elevate overall performance and enhance customer service. By creating a subsidiary, DCTA has greater ability to monitor and hold accountable the bus operations contractor, ultimately ensuring passengers have the best possible experience using the transit system.

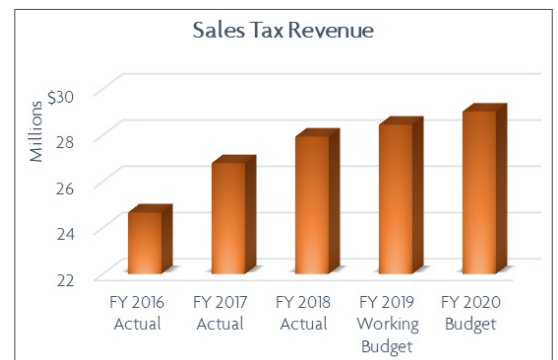
In addition to the Interlocal Agreement for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

The Board of Directors recognizes that employee satisfaction, recruitment, and retention are key to the success of the agency and the provision of high quality of service for our customers and stakeholders. Merit pay for DCTA employees and NTMC administrative and maintenance staff is included in the FY2020 budget in addition to a wage rate increase for bus operators, in accordance with the collective bargaining agreement, and an increased employer medical and vision subsidy for all NTMC employees. The number of full-time equivalents approved in the FY2020 budget remains the same as in the FY2019 budget, with a total of 185 FTEs between DCTA and NTMC employees. Executive Staff will assess agency needs and stakeholder requests for additional and varied service when reviewing current positions or considering the addition of new employees.

After implementing a promotional local fare reduction in August 2018 to encourage ridership and offset regional fare increases, DCTA permanently reduced local fares in January 2019 and discontinued the Connect fare to encourage use of the local fare and reduce the need for transfers. The local fare reduction was designed to result in lower total transit fares when purchasing one local fare from each agency than the regional fare equivalent. DCTA also replaced a portion of fixed-route service with an on-demand, microtransit service in January 2019 to provide travel options for access to the Lakeway Business Park area in Lewisville and surrounding businesses in the designated Lewisville Lakeway Zone. Service changes were implemented in August 2019 to improve frequency and connections at Trinity Mills by adding mid-day service to the A-train schedule. In conjunction, minor schedule modifications to bus routes were implemented to ensure continued and enhanced connectivity within DCTA's system. The impact of these changes was included in the Long Range Financial Plan.

Economic expansion in the Dallas-Fort Worth area remains on track, with job growth remaining mostly broad based across sectors. DFW unemployment is close to multiyear lows and remains lower than the Texas and U.S. rates. Texas employment growth has slowed with unemployment at a record low. FY2019 DCTA rail ridership decreased 6% from FY2018 while bus ridership increased 2% from prior year, leading to an overall 1% increase in system ridership. The FY2020 budget assumes an increase in passenger revenues based on FY2019 trends. Contract service revenue is projected to increase over prior year in accordance with contracts held with University of North Texas (UNT), North Central Texas College (NCTC), the City of Frisco, the McKinney Urban Transit District, and the City of Coppell.

Sales tax represents the single largest source of revenue for DCTA and is monitored closely. DCTA was originally funded with a dedicated ½ cent sales tax by voters in the cities of Denton, Highland Village and Lewisville. As of October 2019, sales tax



BUDGET MESSAGE

revenue generated in FY2019 was roughly 2.9% higher than FY2018 revenue. FY2020 sales tax is projected at a 2% increase over FY2019 projected sales tax.

DCTA is assessing innovative mobility solutions to meet our customer and stakeholder needs and to provide enhanced regional mobility to our passengers. DCTA is working with communities to match employees and employers by providing access to jobs in areas where employers are having difficulty filling positions. In January 2019, DCTA issued a request for proposals (RFP) for Mobility as a Service (MaaS) to solicit proposals from firms to provide innovative options to implement flexible, efficient and effective mobility services. These services would enhance and supplement DCTA's existing transit offerings and provide service to areas where traditional transportation options are less effective. In April 2019, the Board approved a new suite of on-call Mobility as a Service (MaaS) contracts that will allow the agency to offer a variety of mobility services by initiating task orders. MaaS is a trending business model in the transit industry that utilizes on-demand, real-time platform-based services that can include any combination of various mobility options such as car and bike sharing, taxis, driverless vehicles, etc. while providing a seamless experience for the customer, from integrated travel planning to fare payment.

The North Central Texas Council of Governments (NCTCOG) serves as the Metropolitan Planning Organization (MPO) for the North Texas region. The NCTCOG's Mobility 2045 Plan guides the implementation of multimodal transportation improvements, policies, and programs in the 12-county Metropolitan Planning Area through the year 2045 and outlines projected growth for the region and the implications for transportation systems. The Mobility 2045 Plan identifies investments in rail and bus as necessary to address the region's transportation needs. As the region grows, transit will play an increasingly important role in the way people travel. The region is expected to grow from 7.4 million residents to an estimated 11.2 million people by 2045. In addition, employment is expected to grow from 4.8 million to 7.0 million by 2045.

DCTA's FY2020 Budget and Long Range Financial 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.

This budget continues DCTA's commitment to stay the course by maintaining long-term fiscally sustainable service delivery while meeting the transit needs of our rapidly growing region. Our thanks to the Board of Directors for their leadership during the budget development process. We also want to recognize the outstanding work of staff as they continue to focus on Board and community priorities and providing outstanding, safe public transportation services.

Sincerely,



Raymond Suarez
CEO



Marisa Perry, CPA
Chief Financial Officer/VP of Finance



Amanda Riddle
Senior Manager of Budget

FOUNDATION



Three member cities:
**Denton,
Highland Village
& Lewisville**

**Consistent
financial stewardship
& innovative
cost-modeling**



Highly engaged in two of the
**fastest-growing
counties in Texas**



Initiated contract service with
**eight cities
in the past three years:**
Frisco, McKinney, Coppell, Prosper,
Princeton, Melissa, Celina & Lowry Crossing

FINANCIAL STEWARDSHIP

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA's Long Range Financial Planning process, initially adopted in 2009, is supported by Financial Management Policies, a Long Range Financial Plan and the Long Range Service Plan. The Long Range Financial Plan sets the framework for the annual budget process and includes a five-year operating and capital plan and a forecasted 20-year planning horizon consistent with the Long Range Service Plan. DCTA is committed to staying the course in its commitment to long-term fiscal stability and sustainability.

As part of the annual budget process and in collaboration with the management team and the Board of Directors, decisions are evaluated to determine the impact of service enhancements and changes on the 20-year financial plan. These decisions include impact of both the up-front and ongoing operating cost of new or existing capital projects and the impact of any funding requirements, impact of new services or changes in service levels, changes in economic environment, increase in costs, and/or impacts to revenues. The Long Range Financial Plan incorporates the projected sources and uses of funds. Revenues include fare box revenues, grants, sales tax and anticipated debt issuance proceeds. Expenditures include current operating expenses, capital projects and ongoing operating expense associated with the project (if any), and debt service requirements.

In FY19 DCTA began working with Texas A&M Transportation Institute to develop an innovative cost allocation model that would allow the agency to allocate direct and indirect costs by service type as well as member city. This model is the first of its kind in the transportation industry and is still under development. DCTA has worked closely with the Board of Directors, member city officials and all other stakeholders during this process to ensure the cost allocation model fits the needs of all involved.

LEADERSHIP



Successfully updated
Chapter 460 in
the 86th Legislature

Hired
new CEO



Modified agency
Board of Directors
to better inform
vision & strategy



Modified
staff structure
to best meet
needs of the agency

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.

In 2019, 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, operations and public administration.

BOARD OF DIRECTORS

The Denton County Transportation Authority is governed by a 5 voting-member Board appointed by respective entities from Denton County and the cities of Denton, Highland Village, and Lewisville serving two-year terms. Large cities, small cities and other Denton County cities make up the remaining nine non-voting members. Board members must have professional experience in the field of transportation, business, government, engineering or law. In accordance with DCTA bylaws, the Board adopts the annual operating budget and is responsible for setting policy. The CEO oversees the day-to-day operations of DCTA and implements policies set forth by the Board.

OUR TEAM

Board of Directors

Dianne Costa, Chair | Highland Village
 Councilman TJ Gilmore, Vice Chair | Lewisville
 Randall Chrisman, Treasurer/Secretary | Denton County
 Mayor Chris Watts | Denton
 Sam Burke | Denton County

Executive Staff

Raymond Suarez, CEO
 Kristina Holcomb, Deputy CEO
 Marisa Perry, CFO/VP of Finance
 Michelle Bloomer, VP of Operations
 Nicole Recker, VP of Marketing & Administration

Non-Voting Board Members

Tom Winterburn | Corinth
 Mark Miller | Flower Mound
 Carter Wilson | Frisco
 Ron Trees | Little Elm
 Allen Harris | The Colony
 Connie White | Small Cities
 Michael Savoie | Small Cities

POLICY AND ADMINISTRATION

DCTA's policies and administration, led by its Board of Directors and CEO, have created a safe, efficient and financially stable transit operation. DCTA staff work under the direction of the CEO and executive management team representing operations, finance and administration, capital planning, marketing and service development. Transit services for rail operations is provided through a contract with First Transit. Bus services is provided through an inter-local agreement (ILA) with North Texas Mobility Corporation.

DCTA has adopted a set of policies to demonstrate accountability to the public and guide investments and service planning. The agency's financial management policies safeguard the fiscal stability and resiliency required to achieve the agency's goals and objectives. The policies have established a fund balance reserve for unanticipated emergencies, a sales tax stabilization fund, 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 has served as a road map guiding DCTA's service planning, capital improvement program and financial planning. In FY20, DCTA will begin a transformation initiative which will include Board visioning and will result in a new long range service plan for the agency.

SERVICES

- Offer a nimble approach to delivering service throughout Denton & Collin Counties** (Illustrated with a bus icon)
- Launched the first on-street autonomous vehicle program in Frisco, TX** (Illustrated with a car icon)
- Currently exploring rail expansion with the City of Corinth** (Illustrated with a train icon)
- Continue to advance mobility, innovation & intermodal regional rail** (Illustrated with a lightbulb and gears icon)
- Positive Train Control (PTC) Revenue Service Demonstration (RSD) complete** (Illustrated with a train icon)

DIVERSITY

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

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

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

INNOVATION



Launched the
**North Texas
Mobility Corporation**
to address
**bus service operations &
customer service experience**



Partnered with
Trinity Metro
to connect Denton to Trinity Metro's
Intermodal Transportation Center



Currently leading a
Transformation Initiative
to identify agency
efficiencies & areas for growth

Reported more than
**\$500M in Transit Oriented
Development (TOD)**
along the A-train corridor

Federally procured
30
Mobility-as-a-Service providers
as part of a national effort to
increase mobility options

TRANSFORMATION INITIATIVE

2019 represents a year of positive, affirmative change at DCTA which includes meaningful changes in: governance, leadership, culture, organization, and service delivery – changes necessary for DCTA to respond to changing markets using intelligent strategies, tactical activities, and productive projects. Therefore, DCTA is now at a point where it's able to leverage these changes and momentum towards agency transformation into a widely-recognized leader in innovative service delivery and project development.

In FY20, DCTA will be engaging with consultant teams with expertise in strategic planning, information technology, process improvement, and organizational management best practices. The selected consultant teams will work closely with operational and long-range transit planners to expand the use of non-traditional transit services and products to allow for a more tailored response to the demands of multiple markets and develop a robust, equitable, consumer-centric transportation system which leverages existing infrastructure.

ABOUT DCTA



BACKGROUND AND PURPOSE

For the past 16 years, Denton County Transportation Authority (DCTA) has accelerated innovative mobility solutions through efforts that strive to reduce traffic congestion and enhance air quality, while contributing to the growth, development and improvement of quality of life for all communities we serve.

SERVICE OVERVIEW

DCTA connects riders to the need of their day with a variety of services including the 21-mile A-train commuter rail, Connect fixed-route buses, Collin County Transit, Denton Enterprise Airport and Lewisville Lakeway on-demand, Frisco Demand Response, Access and more.

VISION, MISSION AND CORE VALUES

DCTA is committed to improving mobility, air quality, economic development and livability in North Texas. With the implementation of core values that prioritize safety, accountability, commitment, excellence, integrity and respect, DCTA is determined to be a leader in advancing mobility alternatives in North Texas.



TRAIN



BUS



RAIL TRAIL



VANPOOL



ON-DEMAND



ACCESS

COMPANY MILESTONES



MILESTONES

DCTA was formed in 2002 and has grown to be Denton County's primary transportation agency – providing modern transportation solutions to residents and continuously striving to meet the growing need for transportation options.

Below are key milestones DCTA has achieved since inception.

- **2002:** Denton County voters approve the confirmation of DCTA by 73 percent
- **2003:** Denton, Highland Village and Lewisville join DCTA and levy a half cent sales tax to finance the system
- **2005:** The University of North Texas (UNT) and DCTA sign an agreement for a new shuttle system
- **2009:** DCTA starts A-train construction and breaks ground on four stations – Hebron, Old Town, Highland Village/Lewisville Lake and MedPark
- **2011:** DCTA's A-train 21-mile commuter rail line officially launches to the public
- **2012:** The Federal Railroad Administration (FRA) approves first integrated use of Stadler GTW Rail Vehicle for DCTA – the first of its kind in the U.S.
- **2013:** The A-train surpasses one million passengers
- **2016:** DCTA launches North Texas Xpress commuter bus service in partnership with Trinity Metro and new Highland Village Connect Shuttle
- **2018:** DCTA becomes first transit agency in Texas to begin testing federally-mandated Positive Train Control (PTC)
- **2019:** DCTA expands transit offerings with the new Mobility as a Service (MaaS) contract model (one of the first of its kind in the U.S.)

A-TRAIN FACTS

HISTORY

The A-train officially opened for service on June 18, 2011. In January 2012, DCTA unveiled its new Stadler railcars and received a waiver from the Federal Railroad Administration (FRA) to operate them in June 2012. In September 2013, A-train ridership had reached more than one million passengers with the rail line carrying 1,006,397 passengers in less than 28 months of operation.

21 MILES OF TRACK



19 MILES OF A-TRAIN RAIL TRAIL



A-TRAIN STATIONS



11 TRAINS IN FLEET

**4 IN PEAK
2 IN OFF PEAK
1 ON SATURDAYS**

1,454
AVERAGE
MONDAY-FRIDAY
PASSENGER
BOARDINGS

435
AVERAGE
SATURDAY
PASSENGER
BOARDINGS

1,889
AVERAGE
WEEKLY
PASSENGER
BOARDINGS

32,808
AVERAGE
MONTHLY
PASSENGER
BOARDINGS

393,700
TOTAL
FY'19
A-TRAIN
RIDERSHIP

*ALL STATS ARE BASED OFF FY'19 DATA (OCT. 1, 2018 - SEPT. 30, 2019)

SERVICE OVERVIEW

DCTA's A-train connects Denton and Dallas Counties. At the Trinity Mills station, riders can gain access to Dallas Area Rapid Transit's (DART) Red, Orange, Green and Blue Lines and the Trinity Railway Express (TRE). A-train service is provided Monday through Saturday, excluding major holidays.

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

BUS SYSTEM FACTS

SERVICE OVERVIEW

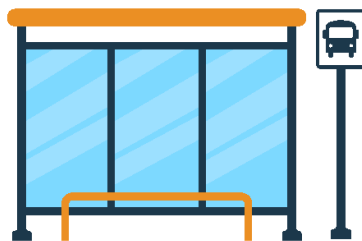
The fixed route and peak period services were configured to provide easy access to many popular destinations as well as connection to A-train stations for access to the commuter rail line. These routes include the Denton and Lewisville Connect Bus, campus shuttle service for the University of North Texas (UNT) and North Central Texas College (NCTC) and Connect Shuttle peak-period service in Highland Village.

Microtransit Service: This on-demand service offers real-time, flexible routing and scheduling. Similar to Uber and Lyft, DCTA-branded vehicles carry a handful of riders at a time. These services include the Denton Enterprise Airport and Lewisville Lakeway on-demand zones.

Taxi Service: Collin County Transit is DCTA's partnership with the city of McKinney and the McKinney Urban Transit District (MUTD) to provide a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including Celina, Lowry Crossing, McKinney, Melissa, Princeton and Prosper.

Lyft Partnership: DCTA has a partnership with Lyft, in which the agency provides a sponsored discount for the Highland Village Lyft Zone, free rides for the UNT Lyft Zone, a Coppell Pilot Program, Lewisville Access to Flower Mound Lyft service and "first mile/last mile" service in the Alliance area serving Tarrant and Denton counties via Trinity Metro's ZIPZONE service.

Paratransit Service: DCTA's Access Paratransit service is a shared ride, origin-to-destination, service that provides transportation for disabled residents, elderly (65 years and older) residents and visitors in Denton, Highland Village and Lewisville.



57 BUS SHELTERS
14 BENCHES ONLY
512 BUS STOPS

2,490,323
TOTAL FY'19 RIDERSHIP
& 284 SQ. MILES SERVED



84 VEHICLES IN FLEET

1
 ROUTE

**HIGHLAND
 VILLAGE
 CONNECT
 SHUTTLE**
**NORTH
 TEXAS
 XPRESS**

2
 ROUTES

**ZONE
 SERVICES**
**LEWISVILLE
 FIXED
 ROUTES**
**NCTC
 CAMPUS
 SHUTTLES**

8
 ROUTES

**DENTON
 FIXED
 ROUTES**

10
 ROUTES

**UNT
 CAMPUS
 SHUTTLE
 SERVICE**

RIDER SNAPSHOT

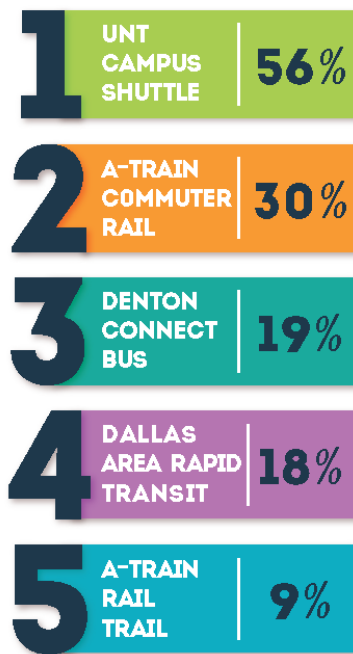
2019 PASSENGER SATISFACTION SURVEY

DCTA hosts a biennial passenger satisfaction survey to gather input from riders on their perspective on the agency's system. The results below are from the agency's 2019 survey which yielded a total of 2,629 responses, equal to 20 percent of the average daily ridership for April 2019. The margin of error was 1.71 percent.

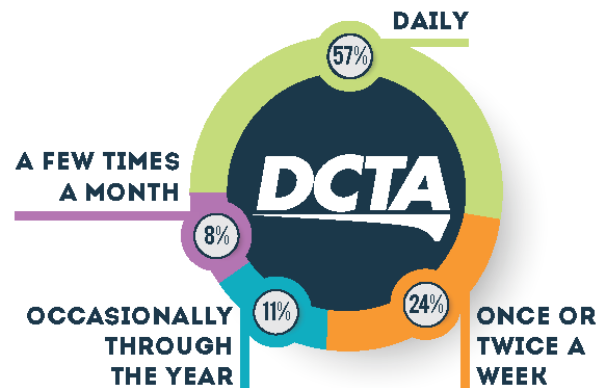
TOP THREE ATTRIBUTES FOR SERVICES: RELIABILITY, SAFETY & CONVENIENCE

TOP MODES OF SERVICE

MULTIPLE MODES COULD BE SELECTED



RIDER FREQUENCY:



82% OF RESPONDENTS ARE **VERY LIKELY** AND **SOMEWHAT LIKELY** TO RECOMMEND DCTA SERVICES TO FRIENDS AND FAMILY

THE TOP FIVE DESTINATION CITIES WERE **DENTON** (58%), **DALLAS** (25%), **OTHER** (5.5%), **LEWISVILLE** (5.5%) & **CARROLLTON** (2.5%)

RIDERS USE DCTA SERVICES TO:



TRAVEL TOOLS

TRANSIT TRACKER

DCTA's Transit Tracker is a vehicle tracking system that provides passengers with access to real-time information for the agency's A-train, fixed-route bus and shuttle services. Passengers can track vehicles via phone, online, text and free mobile application.

- **Phone:** Call 940.243.0077, select the transit tracker option from the phone menu, enter the stop ID and receive real-time information on that vehicle for that location.
- **Web:** Visit **DCTAtracker.com** to search by address to find the nearest bus or train and its arrival time
- **Text:** Text the stop ID to 64255 to receive the estimated arrival time of your bus or train.
- **App:** Download the Transit mobile app from Google Play or Apple store to see vehicle locations in real-time and get notifications for when it's time to leave for your trip.

GOREQUEST

Have a question or comment? Download the GOREquest app available on the Apple Store or Google Play, or visit our **dcta.net/gorequest** to send your feedback. A staff member will answer your question or address your comment in a timely manner.

GOPASSSM

Download the GoPassSM application, available on the Apple Store or Google Play, to purchase your ticket straight from your mobile phone.

How It Works

- Step 1:** Download the app for iPhone or Android
- Step 2:** Register your device within the app
- Step 3:** Purchase tickets
- Step 4:** Activate tickets

All tickets are delivered to your phone as "Not Yet Activated."

You can purchase tickets up to 60 days in advance of using them. You must activate your ticket before boarding and show the ticket on your smartphone to the bus driver or fare enforcement officer when required.



RIDER ALERTS

Sign up for DCTA Rider Alerts at **RideDCTA.net** to receive customized email notifications regarding schedule delays, service changes and promotions.

FLEET AT A GLANCE

BUS

DCTA offers a growing network of bus service from fixed route, shuttle service to on-demand service to connect riders to the greater metroplex, connecting to Dallas and Fort Worth.

- **Number of Routes:**
 - 8 Denton Connect Fixed Routes
 - 10 University of North Texas Shuttles (Bernard Street, Centre Place, Colorado Express, Discovery Park, Eagle Point, Mean Green, Mean Green Night Rider, Mean Green Night Rider Plus, Mean Green Contra, and North Texan)
 - 2 North Central Texas College Shuttles (North and South Shuttles)
 - 2 Lewisville Connect Fixed Routes
 - 2 Microtransit Zones
 - Denton Enterprise Airport Zone
 - Lewisville Lakeway Zone
 - 1 Highland Village Connect Shuttle
 - 1 North Texas Xpress
- **Number of Vehicles:**
 - 59 vehicles at peak pull-out
 - Total number of vehicles: 84
- **Number of shelters: 57**
 - Benches only: 14
 - Bus stops: 512
- **Total FY'19 Ridership: 2,490,323**



A-TRAIN

DCTA's A-train connects Denton County passengers to Dallas through Dallas Area Rapid Transit (DART) and to Fort Worth through transferring from DART to the Trinity Railway Express (TRE).

- **Miles of track: 21**
- **Number of stations: 5**
- **Number of vehicles: 11**
- **Total FY'19 Ridership: 393,700**



FARE AT A GLANCE

UPDATED FARE

In January 2019, DCTA launched a new, easier local fare structure for a seamless integration within the regional fare system. Fares and passes may be purchased online, at ticket vending machines (TVM) on A-train station platforms or at one of the ticket outlets listed here.

Not all fare types are available for purchase at all locations.

FARE TYPE	LOCAL PRICE	REGIONAL PRICE	LOCAL / REGIONAL REDUCED	WHERE TO BUY
LOCAL AM	\$1.50	—	\$.75 / —	TVM, GOPASS
LOCAL PM	\$1.50	—	\$.75 / —	TVM, GOPASS
DAY PASS	\$3.00	\$12.00	\$1.50 / \$3.00	TICKET OUTLETS, TVM, GOPASS
7-DAY PASS	\$15.00	—	—	TICKET OUTLETS, TVM, GOPASS
10-DAY PASS	\$20.00	\$84.00	—	TICKET OUTLETS, ONLINE
MONTHLY PASS	\$48.00	\$192.00	\$24.00 / \$48.00	TICKET OUTLETS, TVM, GOPASS
ANNUAL PASS	\$480.00	\$1,920.00	\$240.00 / \$576.00	TICKET OUTLETS, ONLINE

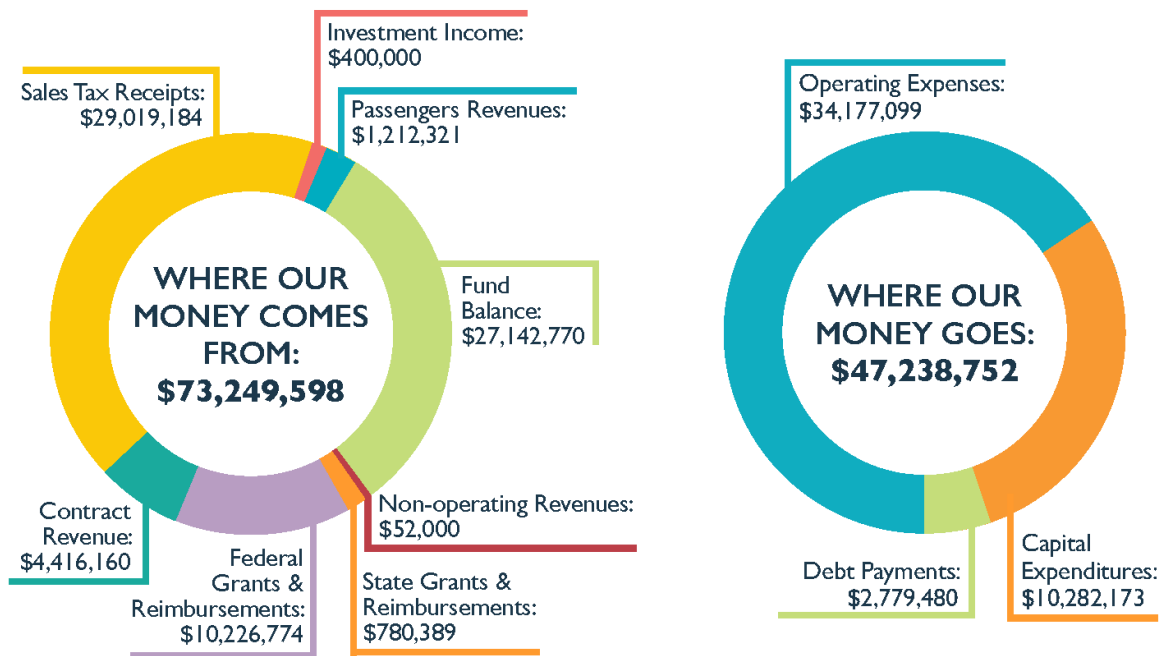
FINANCIAL STABILITY



OUR FINANCES

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

DCTA has also been recognized by the Government Finance Officer Association (GFOA) of the United States and Canada with a Certificate of Achievement for Excellence in Financial Reporting – the highest form of recognition in the area of governmental account and financial reporting.



YEAR AT A GLANCE



SHAPING OUR FUTURE

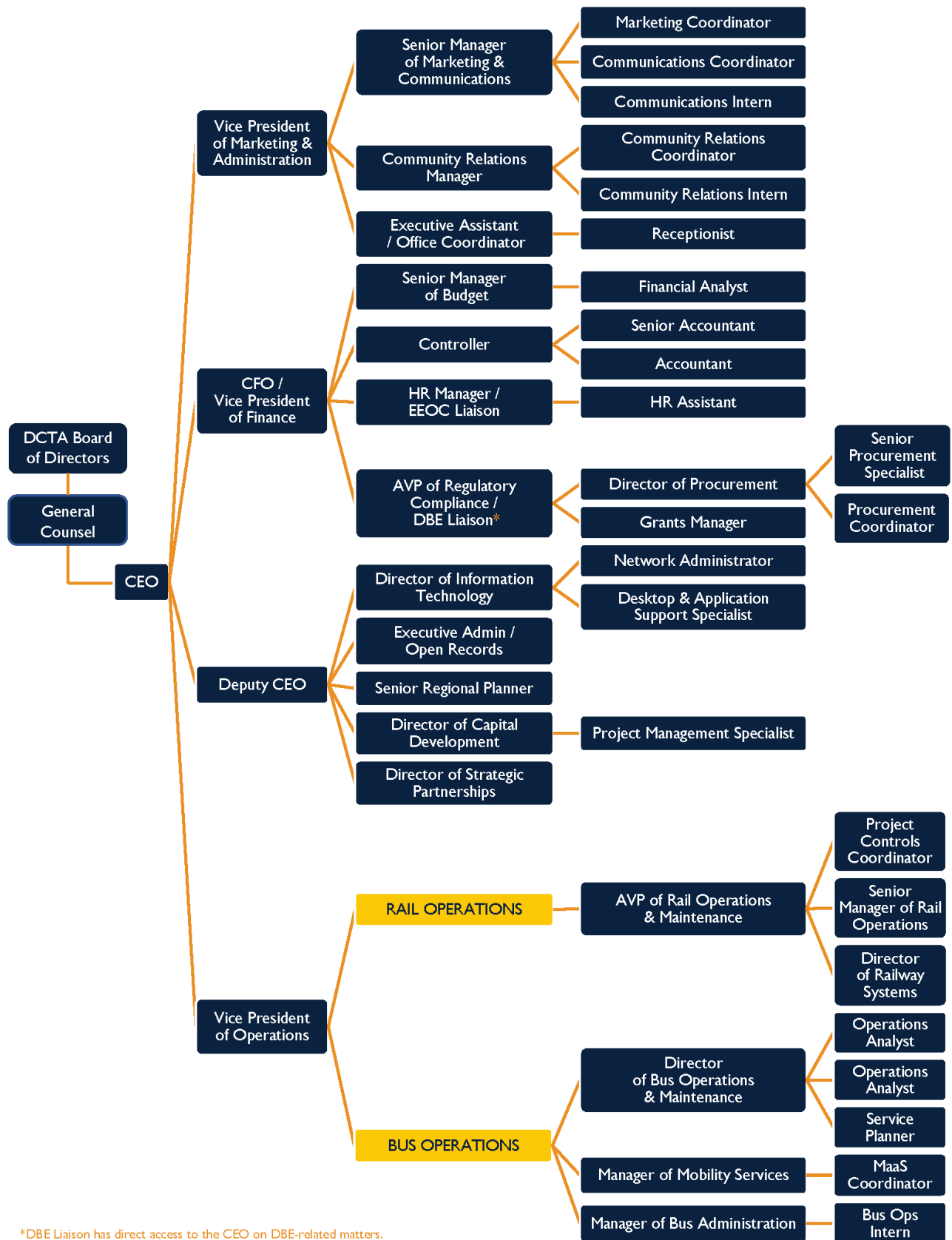
Denton and Collin counties are projected to be the nation's fastest growing economies over the next five years, according to an Oxford Economics forecast. With this impending growth, it is our commitment to offer more alternative transportation options to improve the quality of life where our residents live, work and play.

In FY'19*, DCTA has reached numerous milestones in relation to mobility, air quality, economic development and livability. Read more FY'19 milestones below:

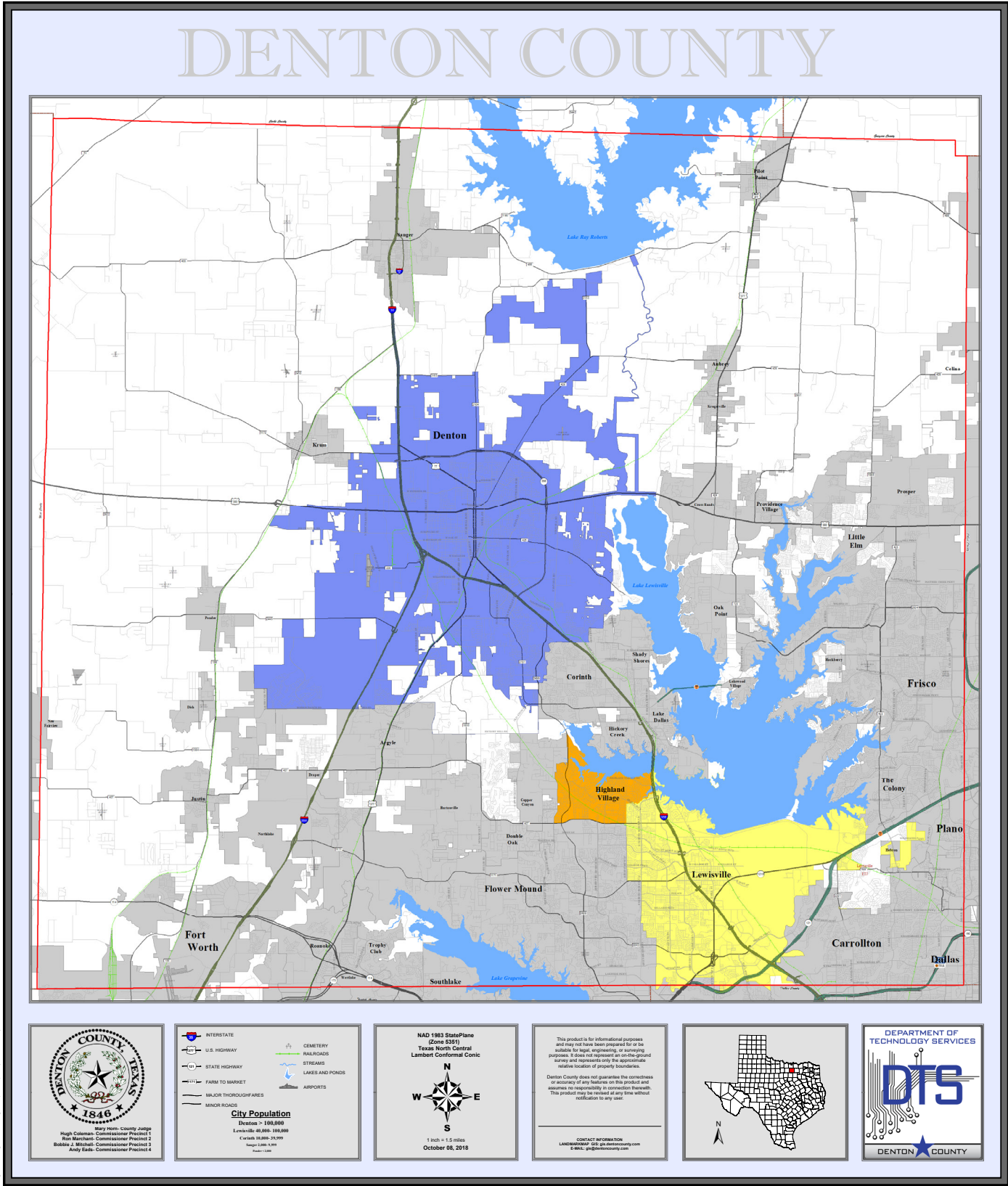
- Changed fare structure to provide a lower fare price and simpler structure
- Received Federal Railroad Administration (FRA) approval to go into Revenue Service Demonstration (RSD) for Positive Train Control (PTC) testing
- Launched Lewisville Lakeway on-demand service and expanded Denton Enterprise on-demand service
- Expanded transit options with its on-call Mobility-as-a-Service (MaaS) contracts
- Launched the North Texas Mobility Corporation (NTMC) as a turnkey solution that also provides management oversight, fleet maintenance, and dedicated customer service
- Launched Collin County Transit taxi service in the town of Prosper
- Celebrated eight years of A-train service

***DCTA's fiscal years start October 1 and goes through September 30**

DCTA ORGANIZATION CHART



DENTON COUNTY MAP



BENEFITS OF TRANSIT



BENEFITS OF TRANSIT

DCTA is keeping Denton County open for business. Since opening in 2011, our A-train commuter rail service has attracted new professionals and businesses, spurred new market investment, and expanded the countywide tax base while providing an alternative form of transportation to address air quality and cost-of-living. In addition to other countywide strengths, including a high quality of life, skilled workforce and a welcoming environment to new land development, the A-train has helped to build the local economy.

With the assistance of The Antero Group, an innovative and nationally recognized planning and engineering consulting firm, DCTA leveraged local and national statistical sources and conducted case studies of local transit oriented development to share the business case for transit in Denton County in 2018.

BENEFITS OF TRANSIT

The following are some major findings from this research:



Increases the Tax Base

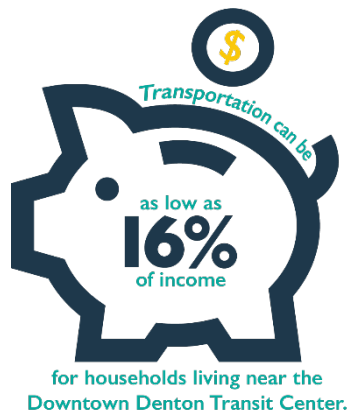
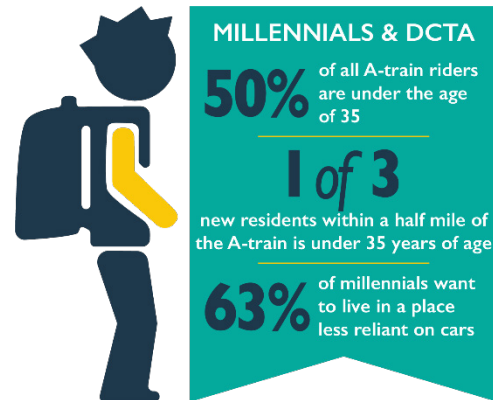
The A-train has spurred real estate development, brought new residents into the county, and added more retail space, all of which have boosted the tax base of its member cities:

- \$11.8M in new property and sales tax revenue for DCTA member cities

Attracts New Professionals

DCTA service helps Denton County attract upwardly mobile professionals and young earners that want to drive less frequently and commute by transit more. Since the A-train opened in 2011:

- 1 out of 3 new residents within one half mile of the A-train is under the age of 35
- 48 percent of transit commutes have come from professionals earning more than \$65,000 per year



Reduces the Cost of Living

Transportation is the second highest household cost after housing. The A-train has spurred development in places where residents can take transit, walk, or bike more frequently.

- Transportation costs the typical county residents 22 percent of income every year

Supports Cleaner Air

Automobile transportation plays a role in producing the emissions that affect countywide air quality, but the A-train helps mitigate these by creating an environment where residents can drive less. For instance, a household at Hebron 121 produces:

- 1.66 fewer tons of NOx and 0.32 fewer tons of VOC per year

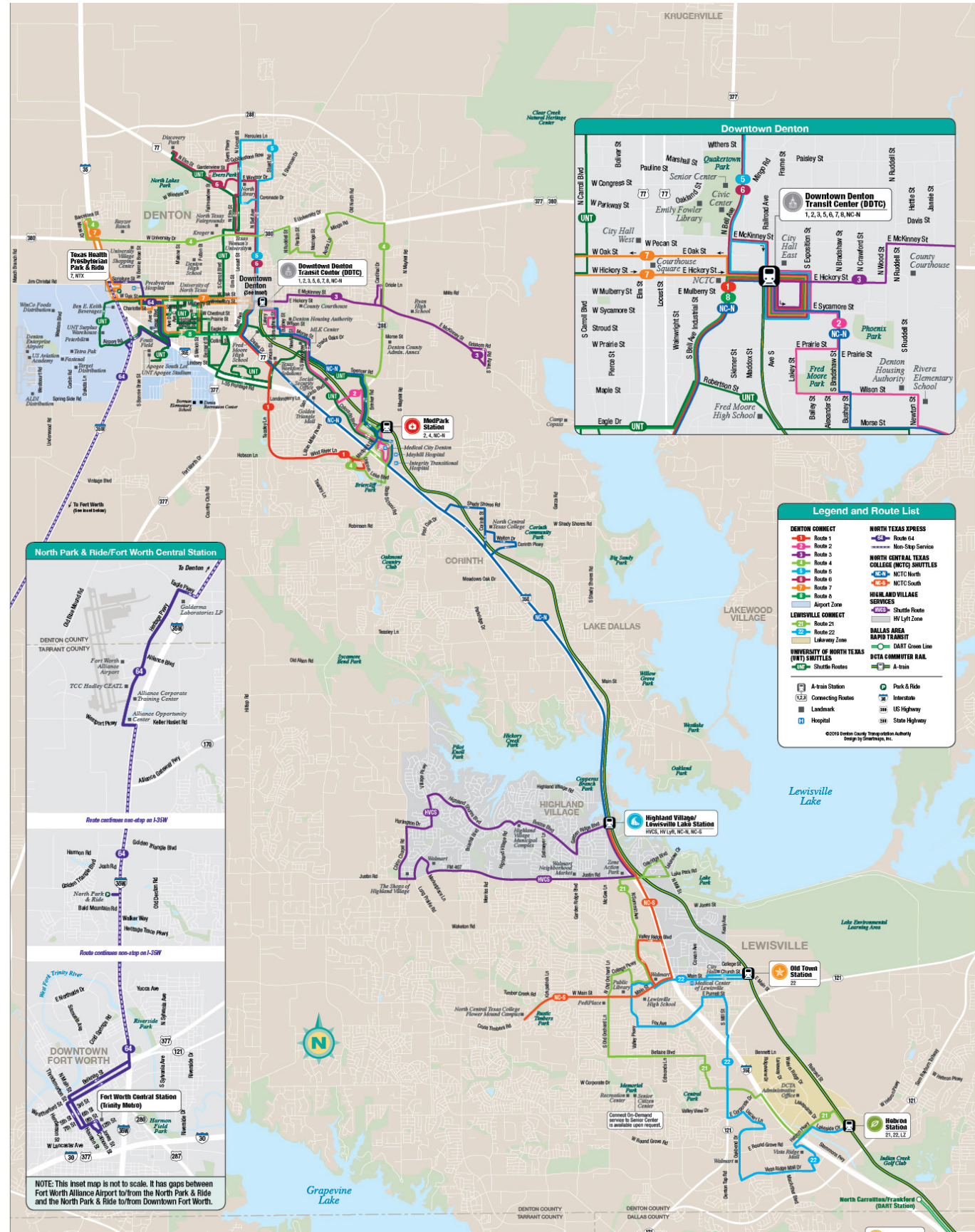
CONGESTION IS INCREASING IN DENTON COUNTY



SERVICE AREA MAP - A-TRAIN

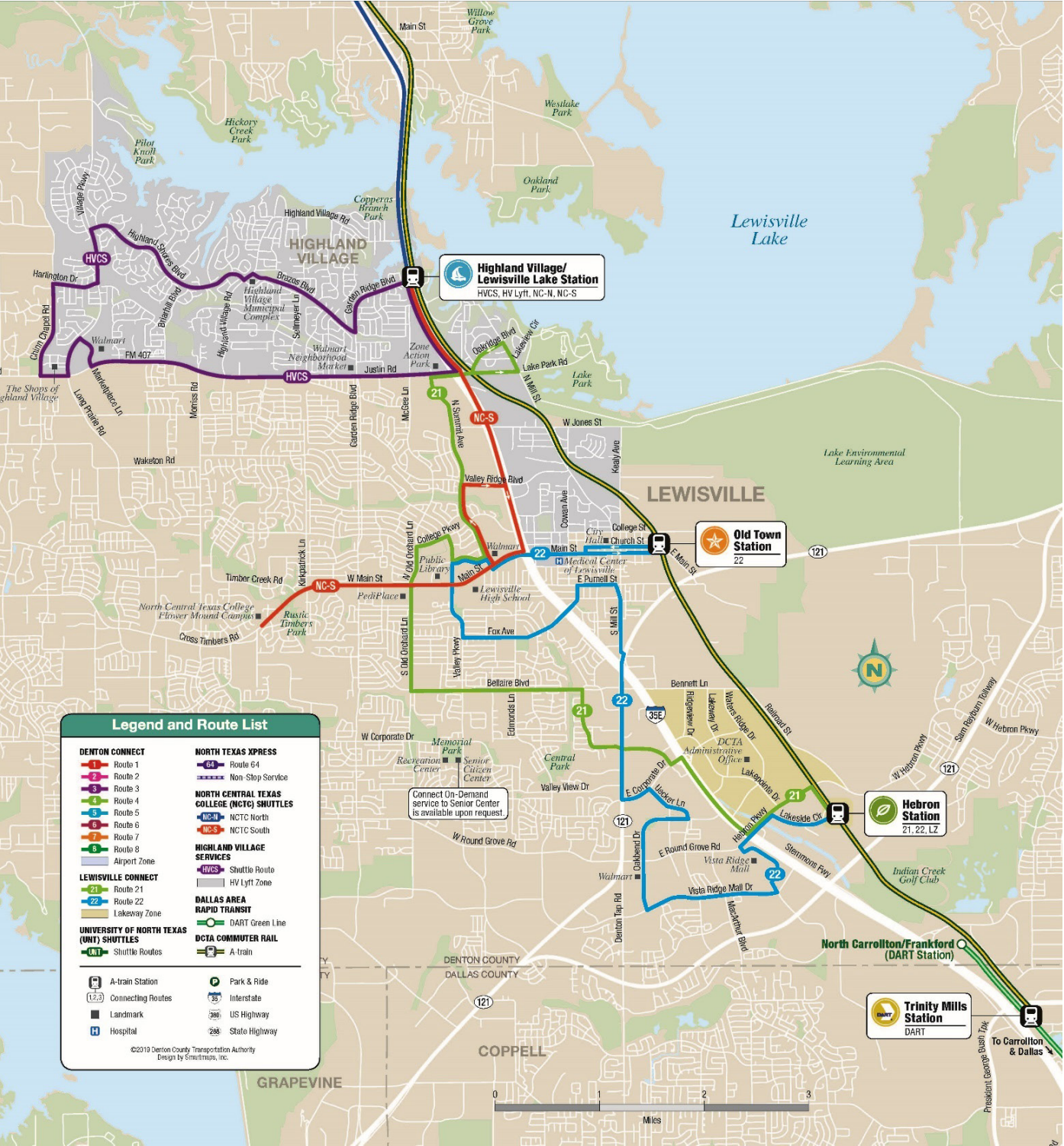


SYSTEM WIDE MAP





SYSTEM WIDE MAP - HIGHLAND VILLAGE & LEWISVILLE





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 a building block for the DCTA Long Range Financial Plan. The Long Range Financial Plan is an important planning tool used to evaluate DCTA's financial strengths and weaknesses, prioritize goals, and evaluate options. Staff presents the budget as a financial expression of current goals, objectives for the coming year, and a snapshot view of capital needs for the following five years. The fiscal year for DCTA begins October 1st and ends September 30th.

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds, and the revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. DCTA uses the accrual basis of budgeting. Under this method, revenues are budgeted in the period that they are earned, and expenses are budgeted in the period in which the liability or benefit is expected. The budget and Long Range Financial Plan help to keep departments centered on the goals and plans to accomplish those goals.

The budget is a financial document. It identifies the source and use of the funds expended by DCTA. In preparing the budget, the Board and staff must ensure DCTA maintains a sound financial condition and recognize that the financial decisions made today will impact the ability to deliver future services. The budget communicates the priorities and informs stakeholders about the financial condition of DCTA.

The budget provides a tool for staff to monitor and measure the financial performance of the Agency. DCTA staff also uses the adopted budget to maintain control over operating and capital expenditures by:

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

BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and is required to report financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. Enterprise funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and 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. The North Texas Mobility Corporation is accounted for as a discreetly presented component unit of DCTA. Under this standard, discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government. The budget document includes a variety of schedules that display NTMC and DCTA financial information, both separately and combined with suitable footnotes. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for budgeting. Under this method, revenues are recognized in the period that they are earned, and expenses are recognized in the period in which the liability or benefit is expected.

BUDGET PROCESS**BUDGET PREPARATION**

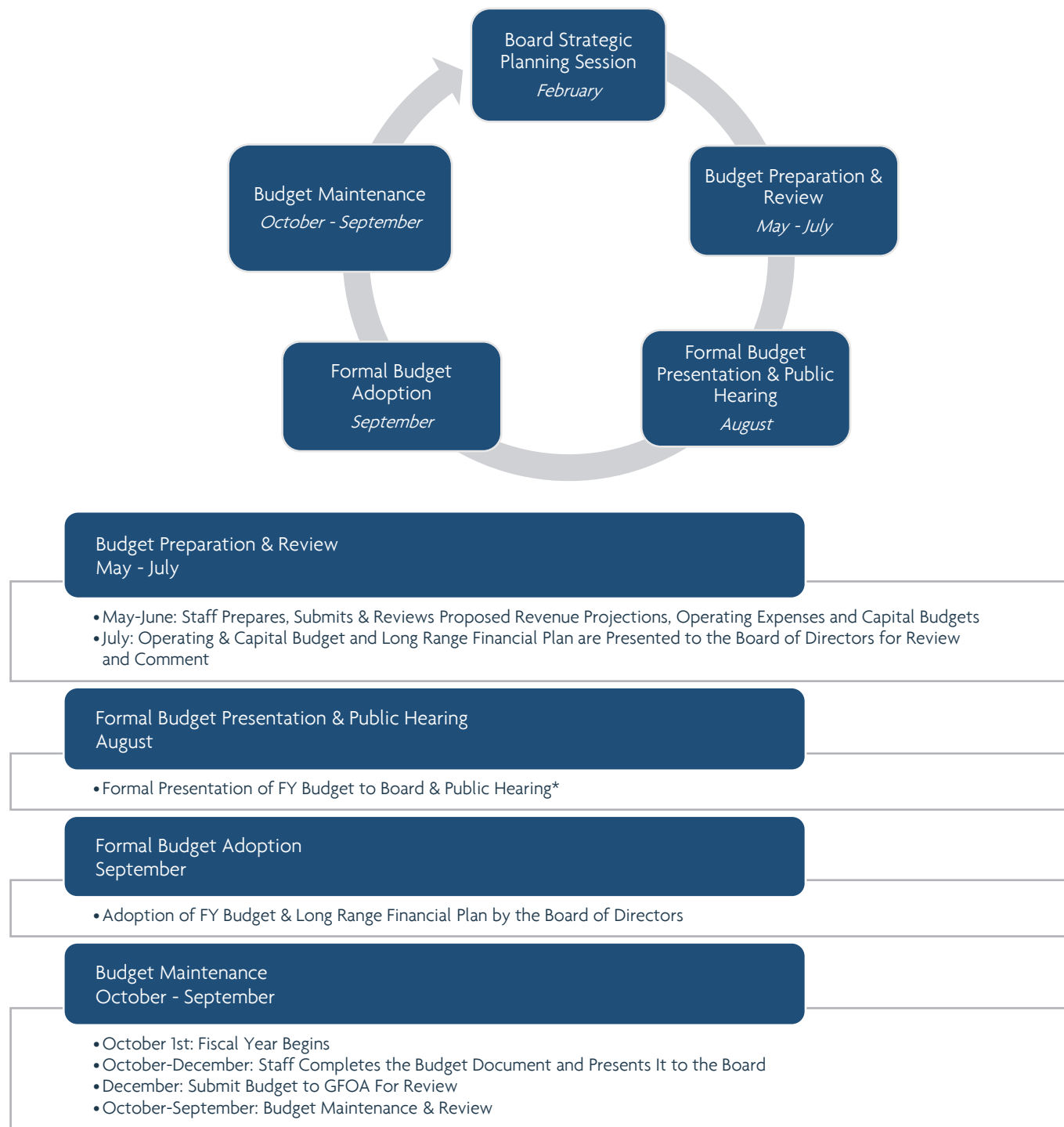
Development of a comprehensive operating and capital budget requires a very active and participative process between DCTA staff, Board and the public. The development process is outlined below:

1. **Goals, Objectives and Performance Measures**
Overall agency goals as well as corresponding department objectives and performance measures are developed for the upcoming fiscal year.
2. **Revenue Projections**
Staff identifies the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
3. **Operating Expenses and Expanded Level Projects**
The base operating budget which maintains the current service level is identified. Any new projects, plans for expansion, or increased service delivery that are above and beyond the current service level are proposed as an Expanded Level Project. These are expenses that are generally classified as “one-time” or “out of the ordinary” expenses. The executive staff reviews all requests and determines which projects would best address the agency’s needs and should be included in the operating budget.
4. **Capital Budget and Five Year Capital Improvement Plan**
The next step in completing the budget is determining the capital budget and Five Year Capital Improvement Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.
5. **Long Range Financial Plan**
Once the operating & capital budget components have been identified, the Budget Manager incorporates all aspects into the Long Range Financial Plan. This allows staff to ensure that all programs are sustainable and within our financial limits.
6. Staff then takes the comprehensive operating & capital budget, along with the Long Range Financial Plan to the Board of Directors for a budget workshop to review and comment. Once staff incorporates any changes received, the proposed budget is then presented in August to the Board and a public hearing is held to allow for public comment. In September, the proposed budget is then formally adopted by the Board.
7. The adopted budget is enacted with the beginning of the new fiscal year on October 1st.

BUDGET 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.



DENTON COUNTY
TRANSPORTATION
AUTHORITY

FY '20 BUDGET SNAPSHOT

TOTAL OPERATING BUDGET **\$44,689,151**

FEDERAL & STATE GRANT REVENUE

Includes Operating & Capital



\$11,007,163

INTERNAL DEBT COVERAGE RATIO

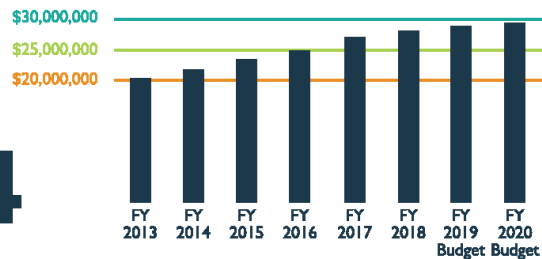
2.22

Requirement is 1.25

SALES TAX REVENUE

Accounts for 63% of total revenue

\$29,019,184



*Sales Tax Revenue based on a 2% increase | DCTA has experienced an average Sales Tax Revenue growth of 5.3% (2013-2020)

BUS OPERATIONS



2,429,371

RIDERSHIP PROJECTIONS

392,182



\$1,225,433
405,000 gallons



\$975,000
350,000 gallons

2,016,063

TOTAL SERVICE MILES

494,285

FLEET REPLACEMENT

\$2,543,600

20 small low-floor vehicles | 3 non-revenue vehicles

*FY '20 starts October 1, 2019
and ends September 30, 2020.

RideDCTA.net • 940.243.0077



HopOnBoardBlog.com • #RideDCTA

CHANGE IN NET POSITION - COMBINED STATEMENT

	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
OPERATING REVENUE			
Passenger Fares	\$ 1,114,734	\$ 880,449	\$ 1,212,321
Contract Service Revenue	3,416,001	4,132,383	4,416,160
Total Operating Revenue	4,530,734	5,012,832	5,628,481
OPERATING EXPENSES			
Salaries, Wages & Fringe Benefits	11,137,613	12,961,278	13,457,015
Services	4,348,623	4,663,810	3,488,696
Materials & Supplies	2,508,019	3,165,045	3,307,659
Utilities	439,476	503,723	527,988
Insurance, Casualties & Losses	1,707,911	1,808,331	1,884,965
Purchased Transportation Services	8,980,451	10,342,159	10,700,706
Miscellaneous	274,071	610,016	480,437
Leases & Rentals	213,497	234,974	229,633
Depreciation	10,202,355	10,790,950	10,612,052
Total Operating Expenses	39,812,018	45,080,286	44,689,151
Operating Income / (Loss)	(35,281,283)	(40,067,454)	(39,060,670)
NON-OPERATING REVENUE/(EXPENSE)			
Sales Tax Revenue	27,937,707	28,450,180	29,019,184
Investment Income	350,924	200,000	400,000
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	(909,480)
Misc. Revenues	860,988	86,761	52,000
Federal Grants & Reimbursements	7,116,198	6,858,947	10,226,774
State Grants & Reimbursements	-	1,303,696	780,389
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	39,568,867
Income (Loss) Before Transfers	(55,729)	(4,142,854)	508,197
Transfers Out	-	(2,817,851)	(8,781,700)
Transfers In	-	2,817,851	8,781,700
Total Transfers	-	-	-
CHANGE IN NET POSITION	\$ (55,729)	\$ (4,142,854)	\$ 508,197
Net Position - Beginning of Year:	326,087,832	323,159,850	310,713,119
Net Position - End of Year:	326,032,103	319,016,996	311,221,316
<i>Transfer to Capital Projects</i>	<i>2,872,253</i>	<i>8,303,877</i>	<i>10,282,173</i>
Net Position After Capital Project Transfer	\$ 323,159,850	\$ 310,713,119	\$ 300,939,143

*Includes DCTA & NTMC operating budget and transfers combined

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

CHANGE IN NET POSITION - DENTON COUNTY TRANSPORTATION AUTHORITY

	FY 2018 Actuals	FY 2019 Working Budget	FY 2020 Budget
OPERATING REVENUE			
Passenger Revenues (Bus Farebox)	\$ 552,309	\$ 433,249	\$ 624,049
Passenger Revenues (Rail Farebox)	562,424	447,200	588,272
Contract Service Revenue	3,416,001	4,132,383	4,416,160
Total Operating Revenue	4,530,734	5,012,832	5,628,481
OPERATING EXPENSES			
Salary, Wages & Fringe Benefits	11,137,613	10,287,136	4,996,191
Services	4,348,623	4,634,656	3,393,656
Materials & Supplies	2,508,019	3,165,045	3,307,659
Utilities	439,476	503,723	527,988
Insurance, Casualties & Losses	1,707,911	1,767,923	1,752,329
Purchased Transportation Services	8,980,451	10,342,159	10,700,706
Miscellaneous	274,071	535,869	387,237
Leases & Rentals	213,497	234,974	229,633
Depreciation	10,202,355	10,790,950	10,612,052
Total Operating Expenses	39,812,018	42,262,435	35,907,451
Operating Income / (Loss)	(35,281,283)	(37,249,603)	(30,278,970)
NON-OPERATING REVENUE / (EXPENSE)			
Sales Tax Revenue	27,937,707	28,450,180	29,019,184
Investment Income	350,924	200,000	400,000
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	(909,480)
Misc. Revenues	860,988	86,761	52,000
Federal Grants & Reimbursements	7,116,198	6,858,947	10,226,774
State Grants & Reimbursements	-	1,303,696	780,389
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	39,568,867
Income (Loss) Before Transfers	(55,729)	(1,325,003)	9,289,897
Transfers Out	-	(2,817,851)	(8,781,700)
Transfers In	-	-	-
Total Transfers	-	(2,817,851)	(8,781,700)
CHANGE IN NET POSITION	\$ (55,729)	\$ (4,142,854)	\$ 508,197

CHANGE IN NET POSITION - NORTH TEXAS MOBILITY CORPORATION

	FY 2018		*FY 2019		FY 2020	
	Actuals		Working Budget		Budget	
OPERATING EXPENSES						
Salary, Wages & Fringe Benefits	\$	-	\$	2,674,142	\$	8,460,824
Services		-		29,154		95,040
Materials & Supplies		-		-		-
Utilities		-		-		-
Insurance, Casualties & Losses		-		40,408		132,636
Purchased Transportation Services		-		-		-
Miscellaneous		-		74,147		93,200
Leases & Rentals		-		-		-
Depreciation		-		-		-
Total Operating Expenses		-		2,817,851		8,781,700
Income (Loss) Before Transfers		-		(2,817,851)		(8,781,700)
Transfers Out		-		-		-
Transfers In		-		2,817,851		8,781,700
Total Transfers		-		2,817,851		8,781,700
CHANGE IN NET POSITION	\$	-	\$	-	\$	-

**North Texas Mobility Corporation began June 2, 2019. Fiscal Year 19 working budget only includes expenses for June - Sept.*

STATEMENT OF CASH FLOWS

	FY 2019	FY 2020
Estimated Beginning Cash Balance	30,688,551	27,142,770
OPERATING ACTIVITIES		
Operating Revenue	\$ 5,012,832	\$ 5,628,481
Sales Tax Revenue	28,450,180	29,019,184
G&A Operating Expenses ¹	(7,245,328)	(6,320,872)
Rail Operating Expenses ^{1,3}	(13,830,006)	(13,672,857)
Bus Operating Expenses ¹	(13,314,002)	(14,183,370)
Total Operating Activities	(926,324)	470,566
INVESTING ACTIVITIES		
G&A Capital Expenditure	(420,006)	(305,165)
Rail Capital Expenditure	(5,964,116)	(6,486,533)
Bus Capital Expenditure	(1,919,755)	(3,490,475)
Non-Operating (Expense)/Income	86,761	52,000
Investment Income	200,000	400,000
Federal Grants & Reimbursements	6,858,947	10,226,774
State Grants & Reimbursements	1,303,696	780,389
Total Investing Activities	145,527	1,176,990
FINANCING ACTIVITIES		
Debt Issuance	-	-
Debt Payment	(2,764,984)	(2,779,480)
Total Financing Activities	(2,764,984)	(2,779,480)
NON-CAPITAL FINANCING ACTIVITIES		
Transfer In ²	2,817,851	8,781,700
Transfer Out ²	(2,817,851)	(8,781,700)
Total Non-Capital Financing Activities	-	-
Net Increase (Decrease) in Cash	(3,545,781)	(1,131,924)
Estimated Ending Cash Balance	\$ 27,142,770	\$ 26,010,846

¹ Operating expenses net of depreciation expense

² DCTA completes a Transfer Out which funds the bus expenses under the NTMC operating budget

³ Rail Operating Expenses includes \$100k for the Rail Easement Liability

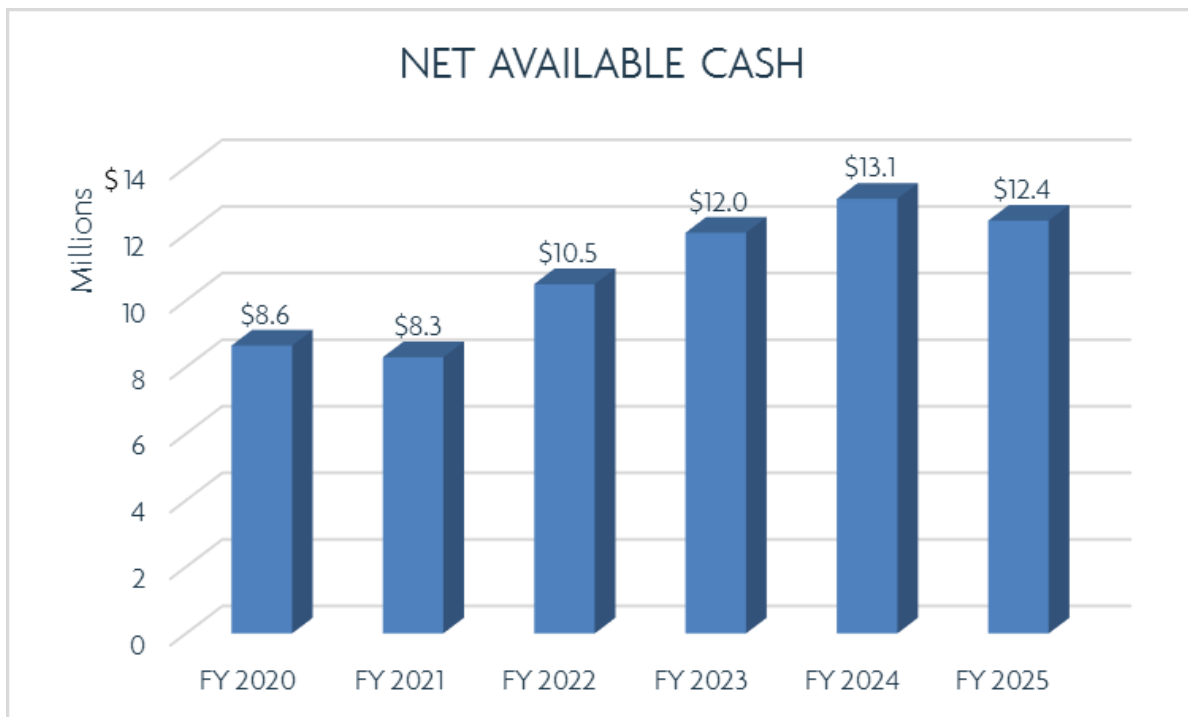
LONG RANGE FINANCIAL PLAN

LONG RANGE FINANCIAL PLAN

The Long Range Financial Plan for the agency is an integral piece of the budget process each year and serves as the foundation to build the budget. After the agency service objectives are identified each year, the executive staff presents to the Board of Directors a five year forecast that includes proposed capital projects as well as service level increases that have been identified. The impact of the proposed budget is then incorporated into the Long Range Financial Plan. With Board approval, this Long Range Financial Plan serves as the first building block of the budget.

The Long Range Financial Plan is a working document, evolving based on planned changes. The agency applies escalators to the current budget year to forecast future periods. These escalators are based on different resources including, but not limited to, the Employment Cost Index, Consumer Price Index, and data from the Energy Information Administration. All future periods are based on the current fiscal year budget and escalated based on the following major assumptions:

- Labor cost inflation is forecasted at a 3% increase for Administrative & Rail Operations and 4% for Bus Operations over prior year
- Benefit cost inflation varies and is based on a historical average and current plans
- All contract rates for bus and rail service are based on current contracts and escalated per contract terms
- Escalation rates for fuel are based on the Energy Information Administration (EIA) forecasts
- Sales tax projections are increased at a rate of 4% thru 2023 and 3% for future periods. This conservative estimate is based on the current trend of 6.1% increase DCTA has experienced over the past 6 years.



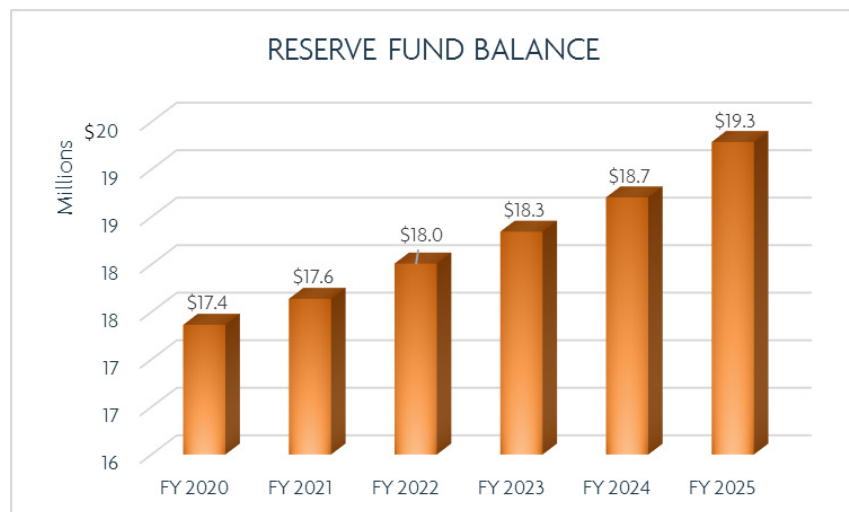
Net available cash is cash balance after annual operating and capital expenses as well as reserve funds have been removed.

LONG RANGE FINANCIAL PLAN

Reserve Fund Policies

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

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unrestricted net position. An annual contribution will be budgeted from general operating resources, as available, to maintain the target reserve level.
- b. It will be the policy of DCTA to maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual budgeted sales tax.
- c. It will be the policy of DCTA to maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Replacement/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.
- d. It will be the policy of DCTA to maintain a Fuel Stabilization Fund. On average, the Fuel Stabilization Fund will be equivalent to \$.50 per gallon of budgeted fuel. This will be reviewed each year during the budget process. This fund will be used to mitigate significant fluctuations in fuel prices each year. The use of any funds within the Fuel Stabilization Fund shall be approved by the Board.



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

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

LONG RANGE FINANCIAL PLAN

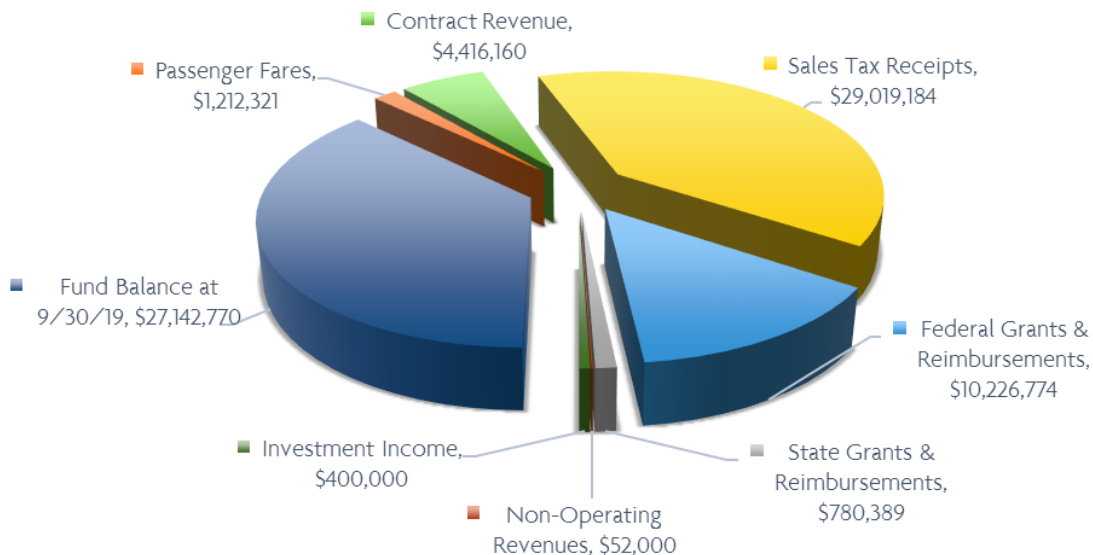
DENTON COUNTY TRANSPORTATION AUTHORITY
LONG RANGE FINANCIAL PLAN
FY20 ADOPTED BUDGET

	FY2019 Working Budget	Proposed FY2020	Proposed FY2021	Proposed FY2022	Proposed FY2023	Proposed FY2024	Proposed FY2025	FY2019-FY2025
<i>Beginning Fund Balance:</i>	\$ 30,688,551	27,142,770	\$ 26,010,846	\$ 25,933,800	\$ 28,501,223	\$ 30,378,633	\$ 31,756,116	\$ 30,688,551
OPERATING REVENUES								
Bus Operating Revenue	4,565,632	5,040,209	4,944,781	5,075,131	5,187,408	5,328,505	5,473,914	35,615,580
Rail Operating Revenue	447,200	588,272	594,155	600,097	606,098	612,159	618,280	4,066,260
Misc. Revenue	86,761	52,000	1,000	1,000	1,000	1,000	1,000	143,761
NON-OPERATING REVENUES								
Sales Tax Revenue	28,450,180	29,019,184	30,179,951	31,387,149	32,328,764	33,298,627	34,297,586	218,961,441
Operating Grants	4,351,253	5,253,753	5,002,538	7,074,386	6,435,185	5,910,882	5,806,183	39,834,180
Investment Income	200,000	400,000	390,163	389,007	427,518	455,679	476,342	2,738,709
TOTAL REVENUES	38,101,026	40,353,418	41,112,588	44,526,771	44,985,973	45,606,852	46,673,304	301,359,932
OPERATING EXPENSES								
Bus Operating Expense	13,314,002	14,183,370	14,572,613	15,343,721	15,925,379	16,622,712	17,123,174	107,084,971
Rail Operating Expense	13,830,006	13,672,857	14,217,575	14,580,856	15,008,141	15,407,752	16,883,581	103,600,768
G&A Operating Expense	7,245,328	6,320,872	6,340,825	6,547,488	6,764,342	6,992,117	7,231,608	47,442,580
TOTAL EXPENSES	34,389,336	34,177,099	35,131,012	36,472,065	37,697,863	39,022,581	41,238,363	258,128,320
NET INCOME	3,711,690	6,176,319	5,981,576	8,054,705	7,288,110	6,584,271	5,434,941	43,231,612
CAPITAL OUTLAY & MAJOR MAINTENANCE								
Bus Capital Expenditure	558,823	-	-	-	-	-	-	558,823
Bus Fleet Replacement	1,360,932	2,543,600	3,761,183	1,606,067	2,358,069	2,974,896	3,098,071	17,702,819
Professional Services / Technology Improvements	395,969	1,004,472	-	-	-	350,000	80,000	1,830,441
Transit Safety Improvements	237,449	324,157	200,000	200,000	200,000	200,000	200,000	1,561,606
Hike & Bike Trails	1,989,242	923,427	-	-	-	-	-	2,912,669
Major Maintenance Items - Rail	1,929,468	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,420,657	12,460,705
Major Maintenance Items - Bus	-	125,000	-	179,530	238,264	273,851	200,000	1,016,645
Positive Train Control	1,633,887	3,062,913	3,069,445	-	-	-	-	7,766,245
Infrastructure Acquisition	24,037	202,568	-	-	-	-	-	226,605
Brownfield Remediation	174,070	71,210	-	-	-	-	-	245,280
Facilities & Maintenance Plan Capital Expense	-	-	-	-	-	-	283,671	283,671
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	8,303,877	10,282,173	9,155,321	4,048,132	4,595,240	4,898,366	5,282,399	46,565,508
CAPITAL SOURCES								
Capital Grants	3,811,390	5,753,410	5,892,562	1,365,157	2,004,359	2,528,662	2,633,360	23,988,899
TOTAL CAPITAL SOURCES	3,811,390	5,753,410	5,892,562	1,365,157	2,004,359	2,528,662	2,633,360	23,988,899
DEBT SERVICE								
2009 Refunding (Sales Tax) Debt Service	1,714,697	1,715,240	1,713,925	1,715,845	1,715,771	1,713,701	1,714,637	12,003,816
2011 Contractual Obligations	1,050,287	1,064,240	1,081,937	1,088,462	1,104,048	1,123,382	1,141,307	7,653,663
TOTAL DEBT SERVICE	2,764,984	2,779,480	2,795,862	2,804,307	2,819,819	2,837,083	2,855,944	19,657,479
Internal Debt Service Coverage:	1.34	2.22	2.14	2.87	2.58	2.32	1.90	
<i>Outstanding Bond Principal as of September 30th</i>	<i>25,230,000</i>	<i>23,360,000</i>	<i>21,405,000</i>	<i>19,370,000</i>	<i>17,245,000</i>	<i>15,025,000</i>	<i>12,705,000</i>	
ENDING FUND BALANCE	27,142,770	26,010,846	25,933,800	28,501,223	30,378,633	31,756,116	31,686,074	31,686,074
<i>Less Required Fund Balance (O&M Reserve Policy):</i>	<i>8,597,334</i>	<i>8,544,275</i>	<i>8,782,753</i>	<i>9,118,016</i>	<i>9,424,466</i>	<i>9,755,645</i>	<i>10,309,591</i>	
<i>Less Sales Tax Stabilization Fund</i>	<i>853,505</i>	<i>870,576</i>	<i>905,399</i>	<i>941,614</i>	<i>969,863</i>	<i>998,959</i>	<i>1,028,928</i>	
<i>Less Fuel Stabilization Fund</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	<i>450,000</i>	
<i>Less Capital/Infrastructure</i>	<i>4,000,000</i>	<i>7,500,000</i>	<i>7,500,000</i>	<i>7,500,000</i>	<i>7,500,000</i>	<i>7,500,000</i>	<i>7,500,000</i>	
NET AVAILABLE FUND BALANCE	\$ 13,241,930	\$ 8,645,996	\$ 8,295,649	\$ 10,491,593	\$ 12,034,304	\$ 13,051,512	\$ 12,397,556	

SOURCES AND USES OF FUNDS

DCTA Fiscal Year 2020 Sources of Funds

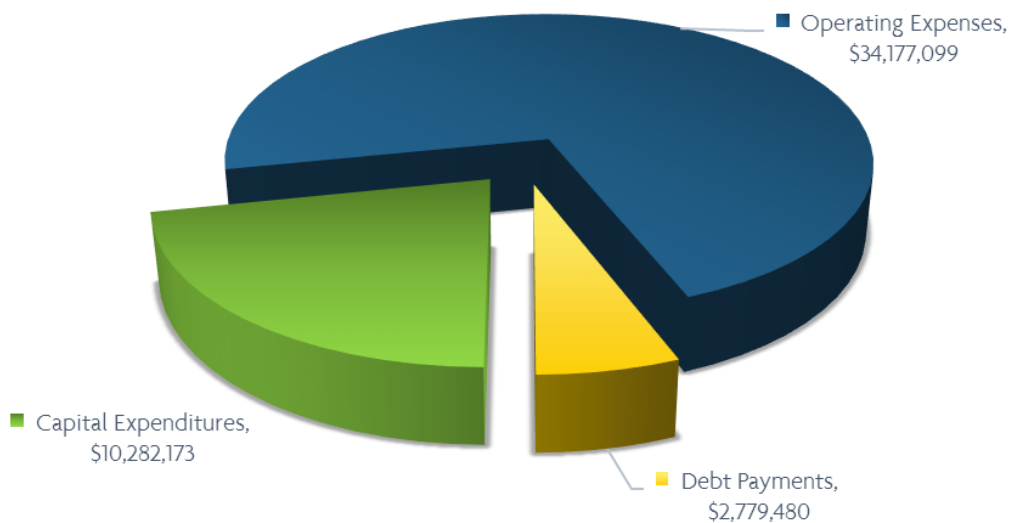
\$73,249,598



DCTA Fiscal Year 2020 Uses of Funds

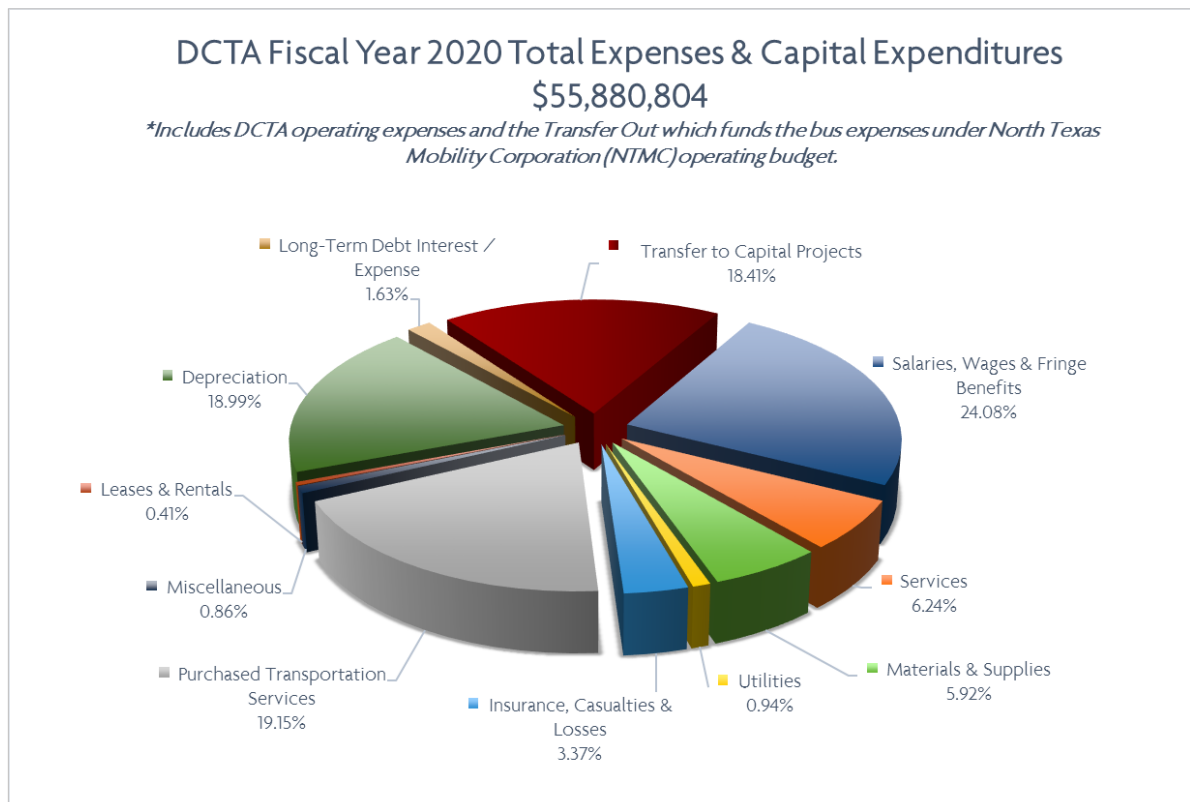
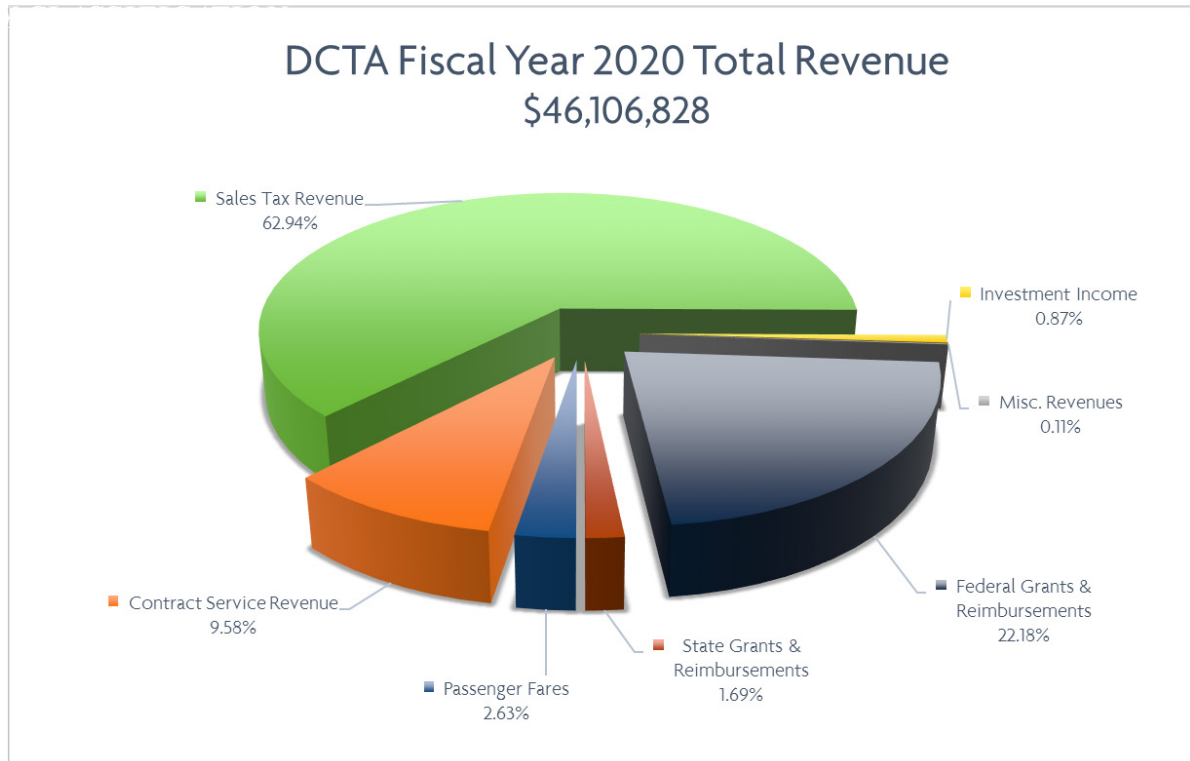
(Excluding Depreciation)

\$47,238,752¹



¹ Includes DCTA operating expenses and the Transfer Out which funds the bus expenses under North Texas Mobility Corporation (NTMC) operating budget.

REVENUE AND EXPENDITURE CHARTS



OPERATING EXPENSES BY DIVISION AND DEPARTMENT

GENERAL AND ADMINISTRATIVE

	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
President/CEO	\$ 1,042,848	\$ 1,022,121	\$ 846,775
Administration*	-	-	353,283
Board of Directors	21,755	43,800	39,800
Finance	1,141,544	1,707,013	1,741,010
Strategic Planning & Development	685,976	1,343,756	1,137,332
Marketing & Communications	974,742	1,264,729	1,140,919
Transit Management	1,331,136	1,637,430	257,383
Human Resources	125,730	226,479	212,426
Information Technology*	-	-	591,944
Total General & Administrative	5,323,731	7,245,328	6,320,872

RAIL OPERATIONS

	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Rail Services	13,369,379	13,730,006	13,572,857
Total Rail Operations	13,369,379	13,730,006	13,572,857

BUS OPERATIONS

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

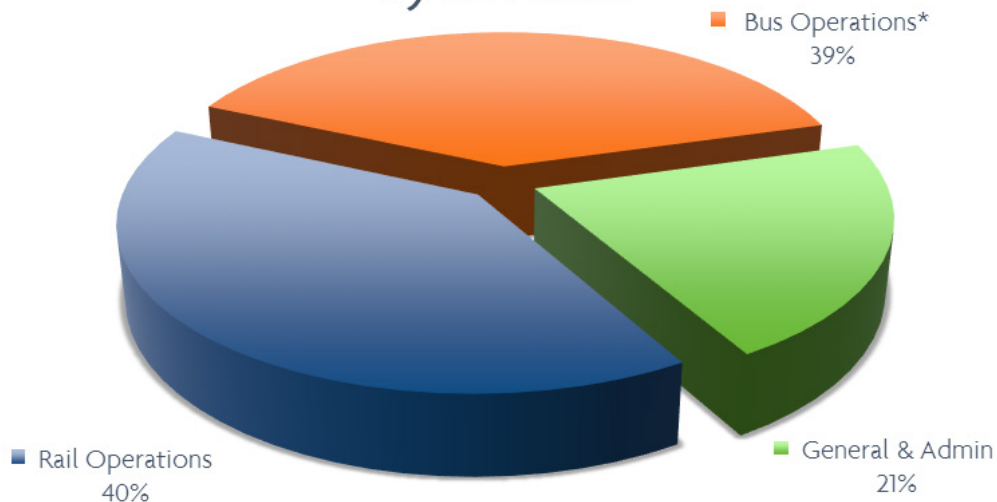
	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Bus Administration	1,154,359	1,684,719	1,402,264
Bus Operations Management*	-	-	722,588
Fixed Route Service	3,222,214	3,757,938	3,846,794
UNT Contract Service	1,646,029	1,880,366	1,907,301
Demand Response Service	859,404	916,329	1,110,618
North Texas Xpress	272,762	450,737	414,169
Maintenance	1,816,863	2,299,162	2,450,321
Supervisors & Dispatch	928,905	1,028,822	809,687
NCTC Contract Service	177,104	194,678	219,014
Frisco Contract Service	196,034	275,153	206,609
Collin County Transit Contract Service (CCT-McKinney)	98,362	125,574	200,545
Mobility as a Service (MaaS)*	-	-	245,705
Customer Service (DDTC)	544,515	700,524	647,755
Total Bus Operations	10,916,551	13,314,002	14,183,370
<i>Total Depreciation</i>	<i>10,202,355</i>	<i>10,790,950</i>	<i>10,612,052</i>

TOTAL OPERATING EXPENSES + TRANSFERS OUT \$ 39,812,016 \$ 45,080,286 \$ 44,689,151

**New department created for Fiscal Year 2020; expenses were previously combined in existing departments*

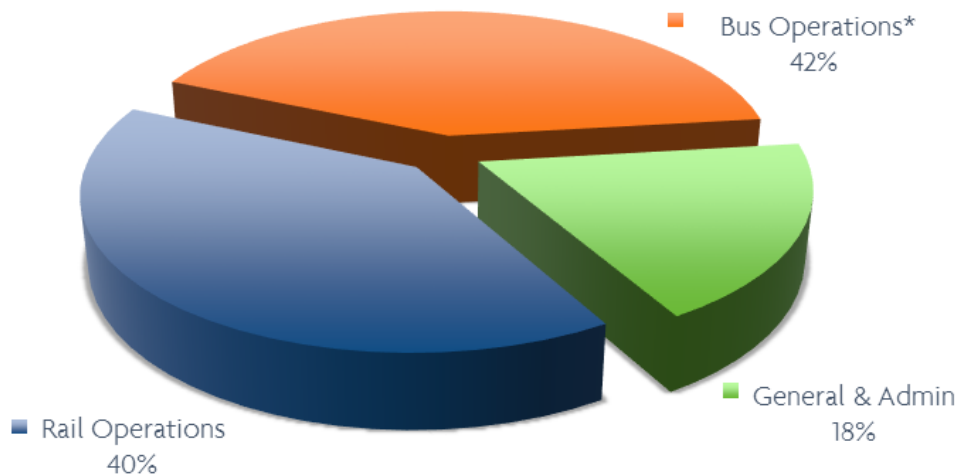
OPERATING EXPENSES BY DIVISION AND DEPARTMENT

Fiscal Year 2019 Operating Expense by Division



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

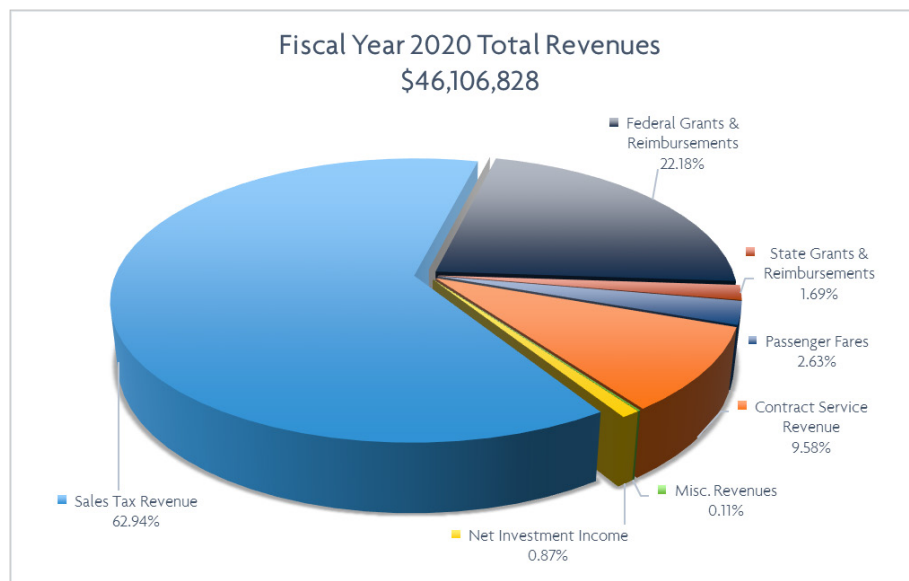
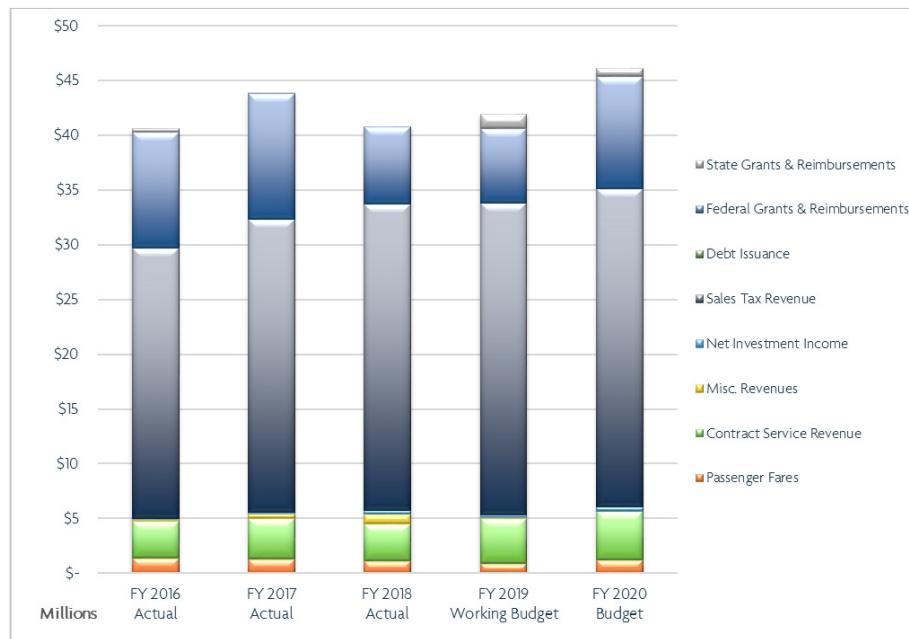
Fiscal Year 2020 Operating Expense by Division



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

REVENUE SOURCES - FIVE YEAR TREND

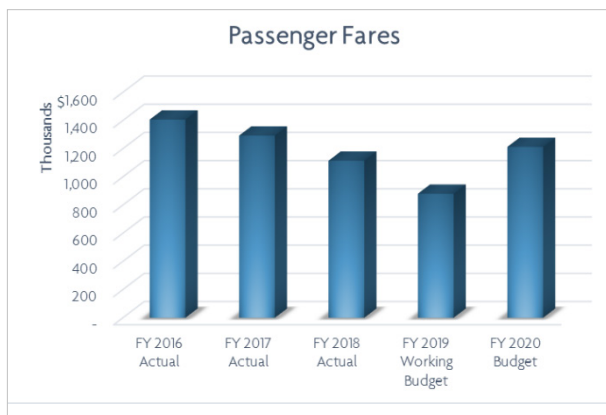
		FY 2016 Actual		FY 2017 Actual		FY 2018 Actual		FY 2019 Working Budget		FY 2020 Budget
REVENUE SOURCE										
Passenger Fares	\$	1,406,470	\$	1,292,725	\$	1,114,733	\$	880,449	\$	1,212,321
Contract Service Revenue		3,383,656		3,716,481		3,416,001		4,132,383		4,416,160
Sales Tax Revenue		24,658,546		26,790,098		27,937,707		28,450,180		29,019,184
Net Investment Income		59,364		122,250		350,924		200,000		400,000
Misc. Revenues		156,067		408,658		860,988		86,761		52,000
Federal Grants & Reimbursements		10,587,249		11,429,852		7,116,198		6,858,947		10,226,774
State Grants & Reimbursements		312,428		3,434		-		1,303,696		780,389
TOTAL REVENUES		\$ 40,563,780		\$ 43,763,498		\$ 40,796,551		\$ 41,912,416		\$ 46,106,828



BUDGET ASSUMPTIONS

REVENUE & OTHER INCOME

Department specific revenue budgets, such as Passenger Fares, are the responsibility of the 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. The DCTA sales tax rate is one half of a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed to the state, cities, transit authorities, and other taxing jurisdictions.

PASSENGER FARE REVENUE

Passenger fare revenue consists of farebox collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. The budget is calculated using projected ridership and average fare per rider. Total fare revenue is projected at a 37% increase from the FY 2019 working budget. Bus passenger fares are assumed at an increase of 44% based on current ridership trends. Rail has also experienced higher than budgeted ridership and an increase in average fare per rider in FY19. For FY20, we are estimating a 1.61% increase in rail passengers and have budgeted fare per rider at \$1.50, compared to the FY19 rate used of \$1.16. This is still a conservative estimate based on a running average of \$1.87 per rider experienced YTD thru September 2019.

CONTRACT SERVICE REVENUE

Contract service revenue consists of revenue or income related to providing transit services to UNT, NCTC, McKinney UTD (CCT), Frisco, Coppell and the North Texas Xpress corridor. Contract revenues are specific to each service and the respective contract terms. Service hours, contract rates and fuel expense are all components to be reviewed. The FY20 budget reflects a 6.87% increase (or \$283,777) over the 2019 working budget and is based on current contract rates for each service. DCTA entered into new contracts with the City of Coppell and Trinity Metro in 2019 which accounts for \$165k of the overall category increase.

SALES TAX REVENUE

DCTA's single largest revenue source, sales tax, continues to trend upward. With the ever-changing economy, it has always been the philosophy of staff and Board to budget sales tax conservatively. Despite strong sales tax growth in recent years, FY19 trended slightly lower than previous although above budget. The FY19 budget was \$28.4M and DCTA

BUDGET ASSUMPTIONS

received \$28.7M in sales tax. DCTA faces challenges in healthcare costs, low interest rates impacting investment earnings, and funding for the increased demand for the expansion of services. In addition, the changing landscape with consumers migrating to on-line purchases from the traditional brick and mortar retail stores could impact local sales tax.

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2020 budget year is a 2% increase over the projected sales tax budget for FY19. DCTA has experienced a 6.1% average growth in sales tax between 2013 and 2019

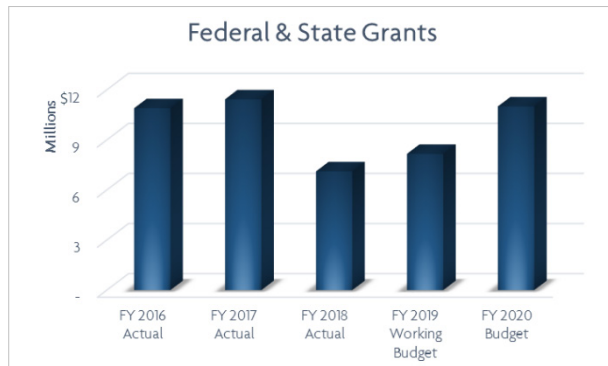
All grant funds are on a reimbursement basis where all drawdown requests occur after the expense has been paid.

INVESTMENT INCOME

Investment income has shown an increase in FY19. DCTA has experienced an average yield of 2.1% as of September 2019 by utilizing different investment vehicles such as Local Government Investment Pool, US Treasury Notes and US Agency Securities.

NON-OPERATING/OTHER REVENUES

This category includes fare evasion fees, refunds and reimbursements, and miscellaneous income. The FY20 budget includes \$1,000 for fare evasion fees and a reimbursement of \$51k from the City of Corinth for the Rail Station Planning Project.

GRANTS & REIMBURSEMENTS

Grant revenue consists of revenue or income from various grants available to DCTA from both the federal and state government. The majority of grant funding that the agency receives is 5307 federal formula funds from the annual Program of Projects. The average apportionment for DCTA is \$6.1M. Operating grants are used to fund projects such as preventive maintenance, eligible bus transit operations, and the vanpool program. Capital grants are used to fund capital projects such as fleet replacement, construction, hike & bike trails, and Positive Train Control. In FY 2020, DCTA anticipates \$10.2 million in federal grants and \$780k in state grants. State grant revenue includes funds from the Texas Department of Transportation (TxDOT) grants. The agency was awarded \$2.1M in 2016 to fund the Eagle Point section of the trail along the rail corridor. This project is scheduled to be completed in 2020.

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.

In previous years, DCTA had a management services contract for bus operations with 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), provided the bus operations support for DCTA.

In FY19, DCTA created a Local Government Corporation (LGC) called North Texas Mobility Corporation (NTMC). NTMC is a subsidiary of DCTA and acts on behalf of its creating authority, governed by Chapter 431 of the Texas Transportation Code. DCTA has entered into an Interlocal Agreement (ILA) with the NTMC to provide complete mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare

BUDGET ASSUMPTIONS

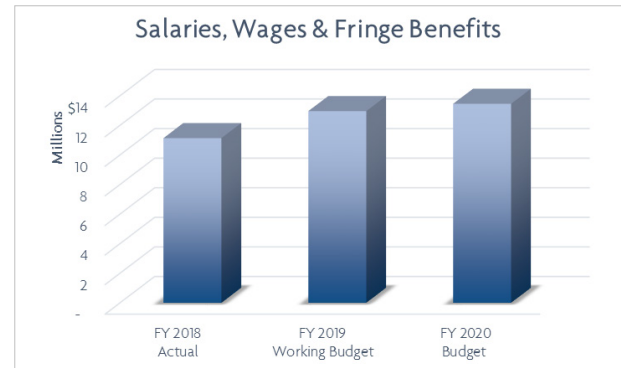
collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center. The purpose of creating NTMC was to elevate overall performance and enhance customer service. By creating a subsidiary, DCTA has greater ability to monitor and hold accountable the bus operations contractor, ultimately ensuring passengers have the best possible experience using the transit system.

In addition to the Interlocal Agreement for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

Finally, the agreement with NTMC will assist in decreasing bus operations costs while increasing operational efficiencies and improving the quality of service provided. NTMC allows DCTA to provide consistent employee benefits, improve service strategy, operations, communications, increase employee support, improve employee morale, reduce employee turnover, improve the quality of service, and enhance the overall passenger experience.

The NTMC operating budget includes Salaries & Wages, Benefits and other expenses directly related to the employees under bus operations. These include advertising related to job postings, drug/background screenings, payroll fees, workers compensation insurance and employee training. All other operating expenses for bus operations are included in the DCTA operating budget. The NTMC budget is funded by a Transfer Out from the DCTA budget.

DCTA 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 NTMC payroll, employer taxes, insurance premiums, and additional benefits. The FY 2020 budget reflects a 3.82% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) 10% increase in health benefits; (3) NTMC bus operator's average wage rate increase outlined by Union collective bargaining agreement (CBA).

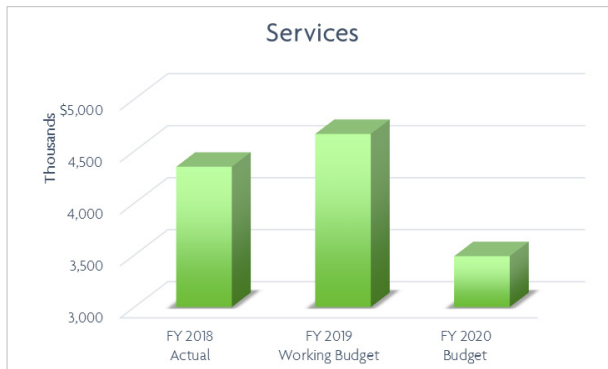
In response to the goal of creating an organization that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. Funds are budgeted annually to maintain that position and the FY20 budget includes \$25k for this purpose. Merit pay has also been included at 3.5% for FY20, and accounts for \$96k (DCTA staff).

This budget incorporates an increase of 10% in health care benefits for DCTA and NTMC based on the current plan design. This is based on analysis of employee health benefits and projections of anticipated increases in the cost of health care. In the time we are compiling the budget we have not yet received or negotiated benefit rates for the upcoming fiscal year. In looking at previous years 2015-2019 for medical coverage, the average increase experienced has been 9.8% so a 10% increase is consistent.

NTMC, which provides the bus operations for DCTA, includes an average rate increase from \$18.53 in FY19 to \$18.34/hour in FY20 for operators. This slight decrease is a result of the lower turnover rate NTMC has experienced compared to past years. Operator

BUDGET ASSUMPTIONS

rates are outlined by the Union CBA currently in place. Also included is a merit increase of 4% for the administrative staff of NTMC.

SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is lower than the FY 2019 working budget by 25% (\$1.17M) mainly due to the following one-time projects that were included in FY19:

- Southbound Rail Extension Study - \$200k
- Rail Operations & Maintenance Facility Modifications - \$185k
- PTC Study - \$150k
- TVM Upgrades - \$78k
- Project Management & Document Control Project - \$99k
- Data Analytics Project - \$159k
- City of Corinth Rail Station Planning Study - \$85k

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computers, fuel,

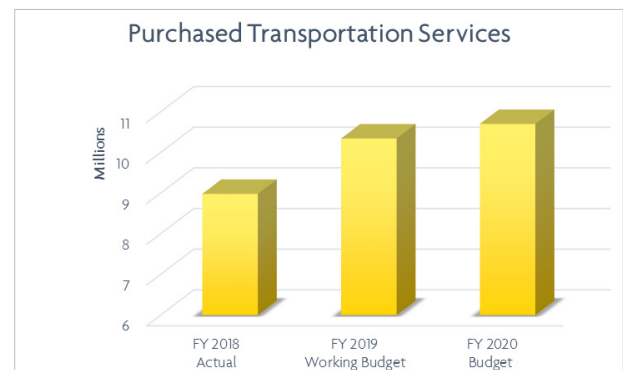
parts, and lubricants for operations, etc. The FY20 budget for this category is higher than FY19 working budget by 4.51%. In FY19, the agency captured realized savings from bus and rail fuel accounts and transferred these savings to cover unanticipated increases in the operating budget. In FY20 the fuel 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 FY20 budget reflects an increase of \$24 thousand compared to the FY 2019 working budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category includes liability and property coverage as well as workers compensation insurance. The budget item reflects an increase of 5% and is based on current insurance rates of the agency.

PURCHASED TRANSPORTATION SERVICES

This expense category includes all purchased transportation services provided under a third party contract.

- This includes an Interlocal Agreement with DART and Trinity Metro for shared services for the maintenance of the Trinity Mills platform, Ticket Vending Machine (TVM) maintenance and revenue collection, and emergency dispatch.
- DCTA entered into a contract with 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 is \$9.97M in FY20 and is based on the current contract rate. It also assumes \$100k for the Positive Train Control (PTC) operational cost estimate that will begin in FY 2020.

- In June 2017, the City of McKinney, the McKinney Urban Transit District (MUTD) and DCTA partnered together to launch Collin County Transit (CCT). This service consists of a subsidized taxi voucher program that provides efficient transit options for participating MUTD cities including McKinney, Lowry Crossing, Melissa, Princeton, Celina and Prosper.
- Frisco demand-response contract service is also included under Purchased Transportation and is based on the current contract.
- In FY19, Trinity Metro and DCTA partnered to develop the on-demand Alliance service and deployed a simplified service by leveraging DCTA's existing contract with Lyft. Alliance Link was developed to fill the transportation gap between the North Texas Xpress bus stops and the passengers' places of employment, which could be an upwards of a mile.
- In January 2019, DCTA issued a Request for Proposals (RFP) to solicit innovative proposals to implement flexible, efficient and effective mobility services to enhance and/or supplement DCTA's existing transit offerings as well as provide service to areas where traditional transportation options are less effective. These services will enhance and supplement DCTA's existing transit offerings and provide service to areas where traditional transportation options are less effective.

In 2019, DCTA expanded its transit offerings with its new Mobility-as-a-Service (MaaS) contract model becoming a "broker of services" to provide customized mobility solutions for various communities. The contract model provides DCTA with an innovative toolbox of mobility solutions that include any combination of options from car, scooter and bike sharing, taxis, driverless vehicles to integrated travel planning to fare payment. The move is part of the agency's focus on providing more options as the face of mobility in cities and regions continues to evolve.

The FY20 budget anticipates the transition to more MaaS service platforms which results in an increase to the purchased transportation category.

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. Examples of these items include:

- Training opportunities for DCTA staff
- Training for NTMC staff
- Annual Tuition Reimbursement Program of \$20k
- Agency membership dues

LEASES AND RENTALS

Leases and rental expense include DCTA office leases at the Lewisville location as well as small printer/copier lease contract expenses. The FY20 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 2020 budget reflects the interest payments for these outstanding debts. Please refer to the debt tables on pages 50-52 for additional information.

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% sales and use tax levied within the Authority.

DEBT SERVICE	Fiscal Year	Principal	Interest	Total
	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 were issued 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% sales and use tax levied within the Authority.

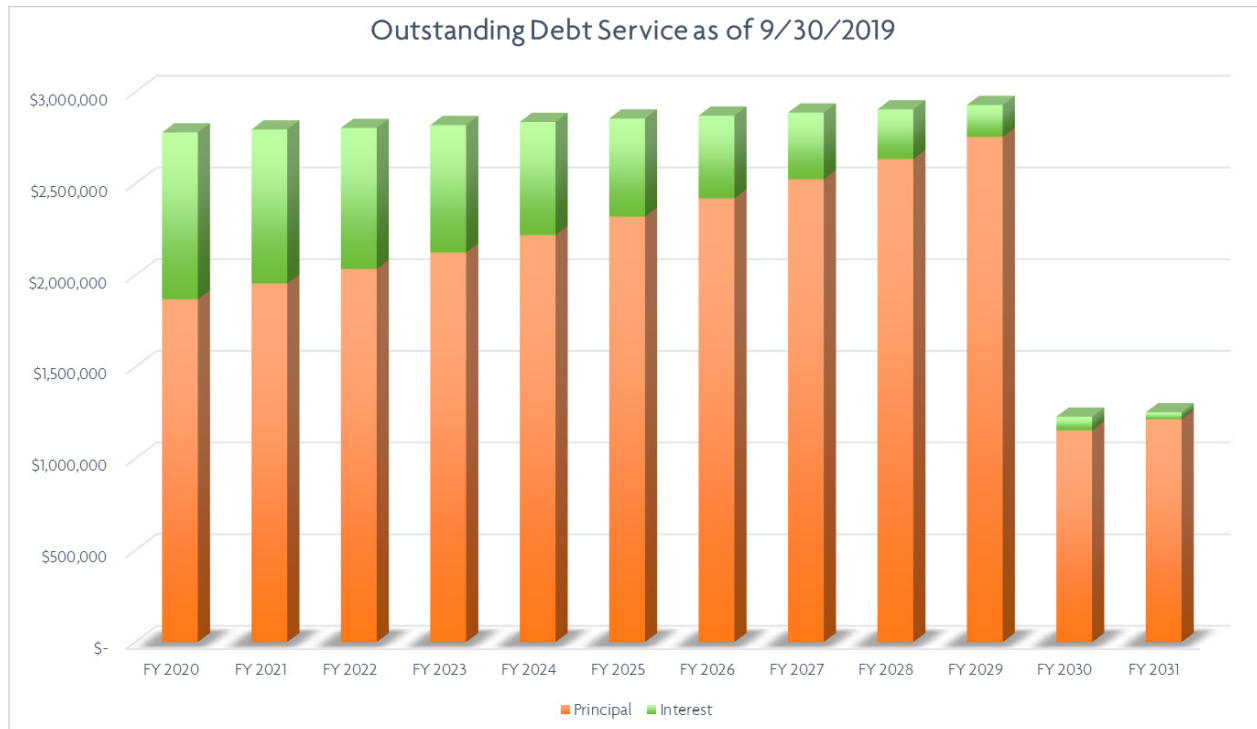
DEBT SERVICE	Fiscal Year	Principal	Interest	Total
	2011 \$	- \$	- \$	-
	2012	-	452,909	452,909
	2013	-	449,156	449,156
	2014	-	449,156	449,156
	2015	555,000	450,407	1,005,407
	2016	585,000	432,842	1,017,842
	2017	615,000	414,420	1,029,420
	2018	645,000	397,673	1,042,673
	2019	675,000	373,090	1,048,090
	2020	710,000	354,159	1,064,159
	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	258,381	1,123,381
	2025	910,000	231,307	1,141,307
	2026	955,000	202,824	1,157,824
	2027	1,000,000	172,932	1,172,932
	2028	1,050,000	141,633	1,191,633
	2029	1,105,000	108,768	1,213,768
	2030	1,155,000	74,181	1,229,181
	2031	1,215,000	38,030	1,253,030
	TOTAL	\$ 14,390,000	\$ 5,926,313	\$ 20,316,313

DEBT SCHEDULE

OUTSTANDING DEBT SCHEDULE AS OF 9/30/2019

Fiscal Year	Principal	Interest	Total
2020	\$ 1,870,000	\$ 909,368	\$ 2,779,368
2021	1,955,000	840,861	2,795,861
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,818	2,819,818
2024	2,220,000	617,082	2,837,082
2025	2,320,000	535,943	2,855,943
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,856	2,887,856
2028	2,635,000	270,709	2,905,709
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,181	1,229,181
2031	1,215,000	38,030	1,253,030
TOTAL	\$ 25,230,000	\$ 5,738,960	\$ 30,968,960

The existing debt levels are in line with our internal debt coverage ratio requirement of 1.25X and our debt has a minimal impact on current operations of the agency at 5.06% of total annual budget (operating + capital). The agency does not have a legal debt limit. Detailed information regarding the Debt Policy can be found in the Financial Management Policies located in the Appendix.



FULL-TIME EQUIVALENT (FTE) COMPARISON

DIVISION SUMMARY				
	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget	Variance
GENERAL & ADMINISTRATIVE DIVISION				
President/CEO Department	1.00	1.00	1.00	-
Administration Department	-	-	2.00	2.00 (A)
Finance Department	9.00	10.00	10.00	-
Strategic Planning & Development Department	3.00	6.00	6.00	-
Marketing & Communications Department	8.50	9.00	7.00	(2.00) (A)
Transit Management Department	9.75	11.50	1.00	(10.50) (B),
Human Resources Department	1.00	1.00	1.50	0.50 (D)
Information Technology Department	-	-	3.00	3.00 (B)
BUS OPERATIONS DIVISION				
Bus Operations Management Department	-	-	8.50	8.50 (C),
RAIL OPERATIONS DIVISION				
Rail Development Department	4.00	4.00	4.00	-
TOTAL DCTA FTE STAFF	36.25	42.50	44.00	1.50
		(F)		
THIRD PARTY CONTRACT OPERATIONS				
Contracted Bus Services (NTMC)	155.00	142.50	141.00	(1.50) (G)
TOTAL THIRD PARTY CONTRACT OPERATIONS	155.00	142.50	141.00	(1.50)

**Bus Operators FTE methodology is based on operator hours.*

(A) Two FTEs moved from Marketing & Communications to Administration department

(B) Three FTEs moved from Transit Operations to Information Technology department

(C) Seven and a half (7.5) FTEs moved from Transit Operations to Bus Operations Management department

(D) Addition of one FTE - HR Assistant

(E) Addition of one FTE - Bus Operations Buyer

(F) The FY19 Working Budget includes the following changes from the original FY19 adopted budget:

- deletion of the Chief Operating Officer position
- addition of a Mobility as a Service Coordinator, Financial Analyst, and Receptionist
- conversion of a Construction Inspector 0.75 FTE into a Project Management Specialist 1.0 FTE
- conversion of a Community Relations Intern 0.5 FTE into a Community Relations Coordinator 1.0 FTE
- three FTEs moved from third party contract bus operations: Service Planner, Operations Analysts (2)

(G) Three FTEs moved to DCTA Bus Operations Management: Service Planner, Operations Analysts (2); addition of 1.5 FTEs - Recruiter/HR Generalist, Operations Specialist (convert from 0.5 FTE)



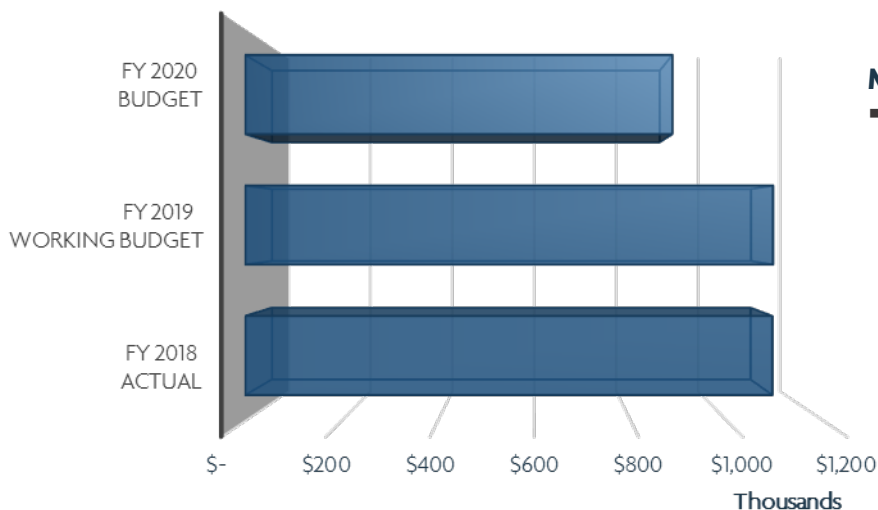
DIVISION BUDGETS

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

OFFICE OF THE CEO AND BOARD OF DIRECTORS

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The CEO also oversees intergovernmental relations and communications with local, regional, state and federal agencies and organizations. The department is responsible for the overall direction, supervision, and coordination of DCTA's activities.

EXPENSES	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$ 520,736	\$ 346,511	\$ 371,456
Services	309,678	412,799	426,479
Materials & Supplies	26,502	28,000	500
Utilities	22,419	29,400	-
Insurance & Casualties	-	-	-
Miscellaneous	77,021	121,730	88,140
Leases & Rentals	108,248	127,481	-
Depreciation	29,536	29,536	-
TOTAL DEPARTMENT BUDGET	\$ 1,094,140	\$ 1,095,457	\$ 886,575
STAFFING			
CEO	1.00	1.00	1.00
Intern	1.50	-	-
TOTAL	2.50	1.00	1.00

**MATERIAL BUDGET ITEMS**

- All administrative facility and supply costs have been moved from the CEO budget to the Administration budget

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY20 OBJECTIVES & PERFORMANCE MEASURES – OFFICE OF THE CEO

LOOKING AHEAD

FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES

OBJECTIVE:

EVALUATE AND IMPLEMENT SERVICE CHANGES

- Engage with member city stakeholders quarterly to discuss mobility solutions that improve mobility, enhance air quality, and promote economic development and livability
- Gain consensus for major service enhancements in member city service areas and explore options for better mobility options to destinations of interest for the citizens of our stakeholder communities

OBJECTIVE:

IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE

- Work with maas service providers to integrate data and travel planning technology to enhance travel options and provide an integrated and seamless travel experience

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH

OBJECTIVE:

EXPLORE NEW REGIONAL COMMUTER CORRIDORS

- Engage legislators and state and regional stakeholders during the state legislature's interim session as DCTA conducts due diligence on the growth of the agency and evaluates potential future service corridors. In doing so, ensure the legislative and regulatory environment is supportive of such efforts

ADVANCE TRANSIT ORIENTED DEVELOPMENT PLANNING AND IMPLEMENTATION

OBJECTIVE:

LEAD COUNTY-WIDE ECONOMIC DEVELOPMENT PLANNING

- Engage legislators, member cities, and regional stakeholders during the state legislature's interim session to ensure supportive legislation remains in place that will allow the agency and other political subdivisions of the state to pursue transit oriented development, leveraging existing and future transit infrastructure and assets. Work with stakeholders to oppose any efforts to curtail tod opportunities

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND

OBJECTIVE:

FOSTER A SERVANT LEADERSHIP CULTURE ACROSS THE ORGANIZATION

- Leverage DCTA's on-call contract with strategic government resources (SGR) to develop, plan and execute an annual leadership development program plan during FY20
- Continue offering the agency's annual management training program and customer service training
- Provide bi-annual leadership development programming for all DCTA staff
- Hold at least, one executive staff leadership development workshop in FY20

OBJECTIVE:

ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES

- Actively participate in local, state, and national associations, engage in thought leadership opportunities and contribute to the advancement of the transit industry profession
- Provide regular and consistent stakeholder updates on DCTA's progress, challenges and customer focused service delivery strategies and programs
- Continue to foster positive relationships with other transit agency leaders and stakeholder groups

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY**OBJECTIVE:****EVALUATE FIXED-ROUTE SERVICES FOR TRANSITION TO ON-DEMAND ZONE SERVICES**

- Initiate transportation forums with stakeholder cities to determine desired service model
- Execute maas task orders with on-demand service providers to implement zone services in denton and lewisville
- Evaluate connect and fixed routes to determine optimal mix of fixed, flex and on-demand services

OBJECTIVE:**RECEIVE FEDERAL RAILROAD ADMINISTRATION POSITIVE TRAIN CONTROL CERTIFICATION AND APPROVAL OF POSITIVE TRAIN CONTROL SAFETY PLAN**

- Complete revenue service demonstration testing in FY2020
- Submit required system safety plan to the FRA for approval and certification by year end

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****GATHER STAKEHOLDER PRIORITY INITIATIVES AND INCORPORATE INTO THE AGENCY'S VISION AND STRATEGY**

- Engage with denton county representatives to host economic development and transportation forums to address growth and mobility needs
- Engage city officials and regional stakeholders in transportation forums to develop DCTA's strategic priorities and long rangesystem and financial plans
- Work with stakeholders regarding land use strategies to enhance mobility, transit oriented development and livability for the communities that we serve

OBJECTIVE:**LEVERAGE THE NORTH TEXAS MOBILITY CORPORATION TO ENSURE COSTS ARE ALLOCATED EFFICIENTLY BETWEEN MEMBER AND NON-MEMBER CITIES AND TO IMPROVE SERVICE DELIVERY**

- Conduct annual stakeholder meetings to review cost allocation actuals vs. Budget

PERFORMANCE MEASURE RESULTS – OFFICE OF THE CEO

FY19 PROGRESS REPORT

SAFETY – PASSENGER, EMPLOYEE, PUBLIC**OBJECTIVE:****MAINTAIN A SAFE ENVIRONMENT THROUGH EDUCATION, AWARENESS AND IMPLEMENTATION OF BEST PRACTICES**

- Education and awareness training are an ongoing part of operational performance requirements for all new hires and existing personnel.

OBJECTIVE:**IDENTIFY SAFETY SOLUTIONS TO ENHANCE THE AGENCY'S OVERALL SAFETY**

- Additional rail safety improvements were made to improve train, cyclist, pedestrian and motorist safety along the 21-mile A-train corridor. DCTA reached a major milestone of extended revenue service demonstration of the federally mandated PTC system.

MAXIMIZE SERVICE EFFICIENCY AND RELIABILITY**OBJECTIVE:****EXECUTE SERVICE CHANGES IN JANUARY AND AUGUST OF EACH YEAR TO CONSISTENTLY IMPROVE SERVICES PROVIDED**

- System wide service changes were made to both bus and rail including additional midday train service, changes to bus routes to better integrate bus and train services, and implementation of mobility on demand solutions in member and non-member cities.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

OBJECTIVE:

CONDUCT ANNUAL SURVEYS TO GARNER COMMUNITY AND PASSENGER FEEDBACK

- Onboard surveys were completed to garner passenger feedback.

MAXIMIZE THE EFFECTIVENESS OF SERVICE FOR DCTA'S RIDERSHIP MARKETS**OBJECTIVES:**

IDENTIFY AND IMPLEMENT INNOVATIVE STRATEGIES TO DRIVE RIDERSHIP

ENHANCE SERVICES IN EXISTING MEMBER CITIES

IDENTIFY GROWTH OPPORTUNITIES WITHIN UNDERSERVED AREAS OF DENTON COUNTY

- DCTA implemented mobility as a service and on-demand zones across Denton and Collin counties in 2019. DCTA led social services round table discussions to gain feedback and improve services. These meetings have proven very effective and have helped to inform service improvements throughout the year resulting in improved service and rider experience.

INCREASE THE VISIBILITY AND ELEVATE THE IMAGE OF DCTA**OBJECTIVES:**

ATTEND COMMUNITY MEETINGS AND FORUMS ON A REGULAR BASIS

PROVIDE OUTREACH TO MEMBER CITIES, NON-PARTICIPATING CITIES AND OTHER POTENTIAL PUBLIC OR PRIVATE PARTNERS

- DCTA played a key leadership role throughout the year in these areas.

OBJECTIVE:

DEVELOP OPTIONS TO CONSIDER A BRAND CHANGE/AGENCY RENAMING

- Engaged agency Board of Directors in discussion regarding agency name and regional approach to mobility services.

EXPAND DCTA'S SERVICES INTO AREAS WHERE TRANSIT HAS A STRONG LIKELIHOOD OF SUCCESS**OBJECTIVE:**

CONSIDER JOINT OPERATIONS/SHARED FUNDING OF TRANSIT SERVICES THAT CROSS COUNTY BOUNDARIES

- DCTA plays a key role in joint operations with Trinity Metro, providing access to DCTA MaaS providers to serve the Alliance Airport area with a Lyft Zone service and jointly operates the North Texas Xpress commuter bus service connecting bus service from Denton to Downtown Fort Worth.

OBJECTIVE:

NEGOTIATE POTENTIAL PILOT PROGRAMS AND PARTNERSHIPS TO INTRODUCE TRANSIT SERVICES INTO COMMUNITIES WHERE SERVICE IS NOT CURRENTLY AVAILABLE

- DCTA launched a pilot on-demand zone utilizing Lyft to connect business centers in Coppell to existing DCTA and DART rail and bus lines.

OBJECTIVE:

MEET WITH BOARD MEMBERS AND ELECTED OFFICIALS IN KEY CORRIDORS TO MEASURE INTEREST AND NEED TO DETERMINE APPROPRIATE NEXT STEPS

- Significant outreach was conducted throughout the year with board members and elected officials in key corridors.

COORDINATE REGIONAL SERVICES WITH OTHER REGIONAL TRANSPORTATION PROVIDERS**OBJECTIVES:**

MEET WITH LEADERSHIP FROM DART, TRE AND TRINITY METRO ON A REGULAR BASIS TO COORDINATE REGIONAL ACTIVITIES/SERVICES

WORK WITH REGION TO ENCOURAGE LOCAL PARTICIPATION OF CORRIDOR PLANNING OF THE KEY CORRIDORS IDENTIFIED IN THE SERVICE PLAN

- Several coordination meetings were held between the three regional transit agencies and the North Central Texas Council of Governments (NCTCOG) along with other stakeholders throughout the year.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

ADVOCATE SUSTAINABLE DEVELOPMENT PRACTICES THAT SUPPORT TRANSIT**OBJECTIVES:**

IDENTIFY STRATEGIC ACQUISITION OF PROPERTY, PROPERTY USE RIGHTS AND RIGHT-OF-WAY
MATCH PERSONNEL GROWTH TO AGENCY NEED

- These are ongoing efforts of DCTA.

MAINTAIN FISCALLY SOUND AND SUSTAINABLE FINANCIAL PLANS AND BUDGETS THAT REFLECT COMMUNITY PRIORITIES AND VALUES**OBJECTIVES:**

SUSTAIN AGENCY'S SOLID POSITION AND PRACTICES
RETAIN FIDELITY WITH STAKEHOLDERS
EXHIBIT JUDICIOUS USE OF AGENCY DEBT
SEEK OPPORTUNITIES FOR INCREASED EFFICIENCY AND REDUCED COST

- These are ongoing efforts of DCTA.

OBJECTIVE:

IDENTIFY SUSTAINABLE FUNDING FOR IMPROVEMENTS AND EXPANSION

- Advanced a regional cost model to enable member cities and cities to which we provide contracted services to easily see their shared cost of operations.

LEVERAGE STATE-OF-THE-ART TECHNOLOGY FOR THE DEVELOPMENT OF INNOVATIVE TRANSIT SOLUTIONS**OBJECTIVE:**

IDENTIFY AND TEST INNOVATIVE SOFTWARE SOLUTIONS THAT WOULD ENABLE DCTA-DRIVEN ON-DEMAND SERVICE

- DCTA implemented an innovative approach to procure 30 contracts with Mobility as a Service providers to be used by DCTA and any other municipal governments or transit agencies across the country.

OBJECTIVE:

CONTINUE TESTING AND IDENTIFY IMPLEMENTATION STEPS FOR POSITIVE TRAIN CONTROL (PTC)

- DCTA completed a major milestone in the implementation of Positive Train Control. The Agency completed Revenue Service Demonstration and is now in Extended RSD.

OBJECTIVE:

EMBRACE TECHNOLOGICAL CHANGES/ADVANCEMENTS

- These are ongoing efforts of DCTA.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

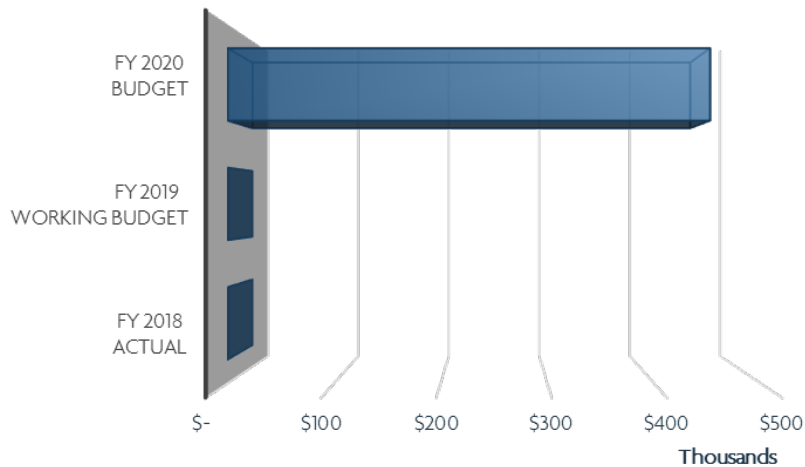
ADMINISTRATION

To provide administrative support for the agency as well as office coordination and maintenance. This department was created in FY20 and includes a Receptionist and Executive Assistant. This budget was previously included under the Office of the CEO budget.

EXPENSES	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$ -	\$ -	\$ 128,403
Services	-	-	50,630
Materials & Supplies	-	-	24,700
Utilities	-	-	24,800
Insurance & Casualties	-	-	-
Miscellaneous	-	-	2,250
Leases & Rentals	-	-	122,500
Depreciation	-	-	99,536
TOTAL DEPARTMENT BUDGET	\$ -	\$ -	\$ 452,819

STAFFING

Executive Assistant	-	-	1.00
Receptionist	-	-	1.00
TOTAL	-	-	2.00



MATERIAL BUDGET ITEMS:

- Includes annual operating lease for admin facility
- Facility maintenance costs

FY20 OBJECTIVES & PERFORMANCE MEASURES – ADMINISTRATION

LOOKING AHEAD

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND

OBJECTIVE:

ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES

- Positively represent the agency through inbound and outbound calls

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:

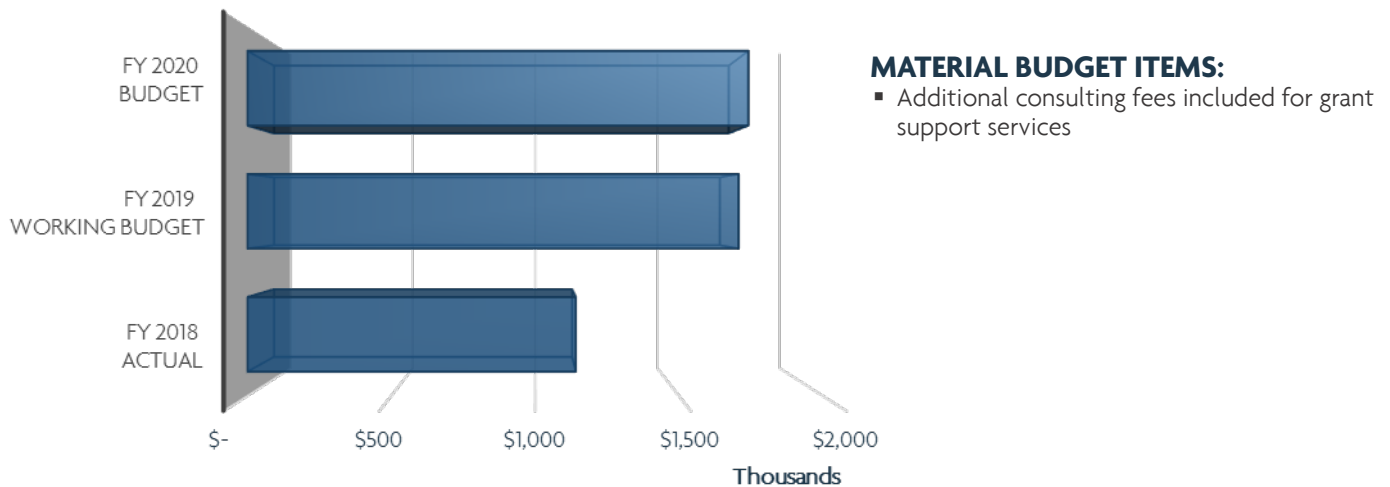
- Provide timely and accurate financial information to the departments and the Board
- Comply with State and Federal regulations regarding financial management, procurement, accounting, and internal controls
- Surpass industry standards of financial management and reporting
- Be a resource for the CEO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

Departmental functions include responsibilities for 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 83-84.

EXPENSES		FY 2018 Actual		FY 2019 Working Budget		FY 2020 Budget
Salary, Wages & Benefits	\$	802,869	\$	1,116,847	\$	1,228,115
Services		277,580		505,470		435,770
Materials & Supplies		-		500		2,000
Utilities		-		-		-
Insurance & Casualties		12,898		12,706		13,320
Miscellaneous		48,199		71,490		61,805
Leases & Rentals		-		-		-
Depreciation		-		-		-
TOTAL DEPARTMENT BUDGET	\$	1,141,544	\$	1,707,013	\$	1,741,010

STAFFING				
Chief Financial Officer / VP Finance	1.00	1.00	1.00	1.00
Controller	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	1.00
Senior Manager of Budget	1.00	1.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00
Director of Procurement	1.00	1.00	1.00	1.00
Senior Procurement Specialist	1.00	1.00	1.00	1.00
Grants Manager	1.00	1.00	1.00	1.00
AVP, Regulatory Compliance Officer	1.00	1.00	1.00	1.00
Financial Analyst	-	1.00	1.00	1.00
TOTAL	9.00	10.00	10.00	10.00

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS



FY20 OBJECTIVES & PERFORMANCE MEASURES – FINANCE

LOOKING AHEAD

FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES

OBJECTIVE:

EVALUATE AND IMPLEMENT SERVICE CHANGES

- Utilize long range financial plan to ensure funding for service levels

OBJECTIVE:

EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS

- Team with operations departments and regional partners to identify and implement technology which enhances fare collection efficiencies and minimizes administrative costs

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH

OBJECTIVE:

EXPLORE NEW REGIONAL COMMUTER CORRIDORS

- Identify and pursue funding and evaluate financing options for regional service expansion

ADVANCE TRANSIT ORIENTED DEVELOPMENT PLANNING AND IMPLEMENTATION

OBJECTIVE:

WORK WITH CORRIDOR CITIES TO IMPLEMENT TOD

- Identify grant funding and other financing options for DCTA's proposed lewisville multi-modal facility

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND

OBJECTIVE:

ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES

- Maintain transparency and fiscally sound and sustainable financial plans that reflect community priorities and values
- Submit application and meet criteria for the Texas comptroller of public accounts' transparency stars program (replacement of the leadership circle award): traditional finances, contracts & procurement, and debt obligations sections

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Submit application and meet criteria for NPI excellence in procurement award
- Submit application and meet criteria for government finance officers association distinguished budget award
- Submit application and meet criteria for government finance officers association certificate of achievement for excellence in financial reporting

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS**

- Continue utilization of long range financial plan to guide decision making for capital needs, maintenance, and service enhancements
- Pursue joint funding for safety initiatives, passenger information and planning tools that encourage connectivity

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****PROVIDE ACCURATE AND RELIABLE REVENUE AND EXPENSE FORECASTS AND MAINTAIN BUDGET PRACTICES THAT ENSURE SUSTAINABILITY AND CONTINUITY OF PROGRAMS AND SERVICES**

- Solicit and incorporate public input in budget process through public hearings and meetings with stakeholders
- Coordinate with member cities to ensure sales tax forecasts are aligned with regional assumptions
- Provide regular financial updates highlighting budget to actual revenues and expenses

OBJECTIVE:**LEVERAGE THE NORTH TEXAS MOBILITY CORPORATION TO ENSURE COSTS ARE ALLOCATED EFFICIENTLY BETWEEN MEMBER AND NON-MEMBER CITIES AND TO IMPROVE SERVICE DELIVERY**

- Implement fully allocated cost model for evaluating performance of each service type

PERFORMANCE MEASURE RESULTS – FINANCE **FY19 PROGRESS REPORT**

INCREASE THE VISIBILITY AND ELEVATE THE IMAGE OF DCTA**OBJECTIVE:****ENSURE TRANSPARENCY AND OPENNESS TO THE PUBLIC THROUGHOUT ALL OF THE AGENCY ACTIVITIES**

- Submit application and meet criteria on ongoing basis for the Texas Comptroller of Public Accounts' Transparency Stars program (replacement of the Leadership Circle Award). Target Stars for Traditional Finances, Contracts & Procurement, and Debt Obligations.
 - In Process. Anticipate award submission by Q2 FY2020
- Optimize visibility and access to procurement opportunities via e-procurement processes
 - These are ongoing efforts of DCTA.
- Solicit and incorporate public input in budget process and the NCTCOG Transportation Improvement Program
 - Ongoing. Conducted Budget Public Hearing according to budget calendar and participated in NCTCOG public meeting to discuss grant funding

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

EXPAND DCTA'S SERVICES INTO AREAS WHERE TRANSIT HAS A STRONG LIKELIHOOD OF SUCCESS**OBJECTIVE:**

ENSURE THAT EACH NEW SERVICE IS FINANCIALLY FEASIBLE, MEETS PERFORMANCE STANDARDS AND DOES NOT NEGATIVELY IMPACT EXISTING SERVICES

- Financial review and analysis of new service requests with review of current and long-term impact
- Provide financial review and analysis of proposed new corridors and long-term impact
 - These are ongoing efforts of DCTA.

COORDINATE REGIONAL SERVICES WITH OTHER REGIONAL TRANSPORTATION PROVIDERS**OBJECTIVE:**

SUPPORT DEVELOPMENT OF GRANT APPLICATIONS IDENTIFIED IN DCTA'S LONG RANGE SERVICE PLAN, AND IDENTIFY WHERE APPLICABLE OPPORTUNITIES FOR PARTNERSHIPS WITH REGIONAL AGENCIES AND PLANNING ENTITIES

- Pursue joint funding for safety initiatives, passenger information and planning tools that encourage connectivity
 - No activity to report
- Identify grant funding and other financing options for DCTA's proposed Lewisville Multi-Modal Facility
 - Ongoing. DCTA received award notification of \$10.4 million in CMAQ funding from NCTCOG for land acquisition and construction

OBJECTIVE:

CONSIDER JOINT OPERATIONS / SHARED FUNDING OF TRANSIT SERVICES THAT CROSS COUNTY BOUNDARIES

- Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
- Support regional reciprocal fare agreement with DART and Trinity Metro
 - These are ongoing efforts of DCTA.
- Participate in fare payment initiatives that promote regional cooperation
 - Ongoing. DCTA is evaluating additional fare payment options for regional consistency

MAINTAIN FISCALLY SOUND AND SUSTAINABLE FINANCIAL PLANS AND BUDGETS THAT REFLECT COMMUNITY PRIORITIES AND VALUES**OBJECTIVE:**

DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE, REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS AND GROWTH OPPORTUNITIES

- Align agency long range financial plan with Long Range Service Plan and Board Strategic Plan
 - These are ongoing efforts of DCTA.
- Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements
 - Ongoing as part of annual budget process
- Implement fully allocated cost model for evaluating performance of each service type
 - Draft allocation model presented to Board of Directors in October 2019. Additional stakeholder meetings and input to be gathered in FY2020.

OBJECTIVE:

PROVIDE ACCURATE AND RELIABLE REVENUE AND EXPENDITURE FORECASTS AND MAINTAIN BUDGET PRACTICES THAT ENSURE SUSTAINABILITY AND CONTINUITY OF PROGRAMS AND SERVICES

- Monitor and respond to legislation that affects sales tax
 - These are ongoing efforts of DCTA.
- Strengthen current financial conditions by ensuring appropriate systems and controls are in place
 - These are ongoing efforts of DCTA.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Develop comprehensive grants management framework
 - Completed. Implemented active grant monitoring process in coordination with consultant
- Implement dashboard type reporting access for non-Finance Department users of financial software application
 - Currently evaluating financial software/Cognos functionality and reporting capabilities
- Maintain internal debt coverage ratio at 1.25x and update financial model to incorporate debt service plan for the full issuance period
 - Completed

OBJECTIVE:**MAINTAIN A TRANSPARENT FINANCIAL ENVIRONMENT FREE OF FRAUD, WASTE AND ABUSE**

- Receive NPI Excellence in Procurement Award
 - Completed
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies
 - Quarterly Grants update presented to Board. Grant reporting deadlines met.
- Achieve unqualified audit opinion and completion of annual audit within 6 months of year end
 - Completed
- Receive Government Finance Officers Association Distinguished Budget Award
 - Completed
- Receive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting
 - Completed
- Maintain appropriately diversified investment portfolio
 - Ongoing. At year-end, roughly 36% of the agency's reserve fund was invested in agency securities to improve diversification and increase yield

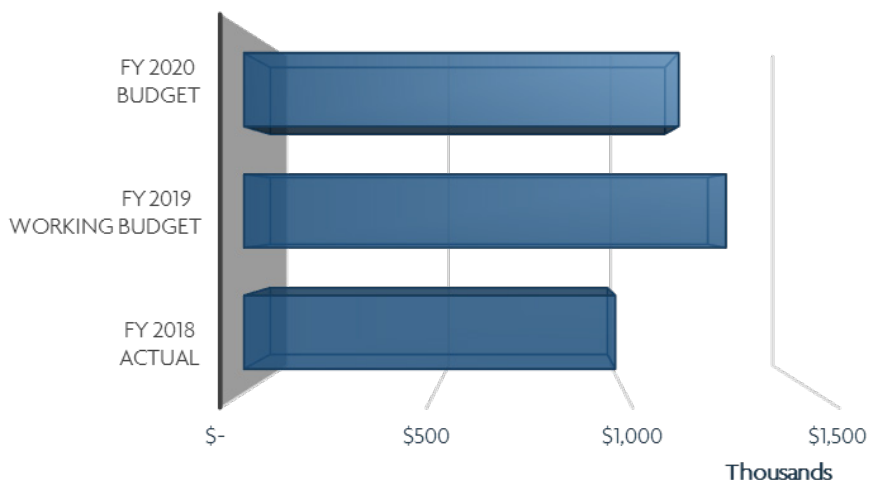
GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

MARKETING AND COMMUNICATIONS

To provide strategic marketing and communications efforts on behalf of the agency, Board of Directors, DCTA departments and consultants to promote the agency, key messages, brand identity, and build brand awareness. To direct critical internal and external communications via proactive and reactive media relations, public involvement, community outreach, and customer service.

EXPENSES	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$ 513,482	\$ 676,588	\$ 657,060
Services	412,536	495,280	413,219
Materials & Supplies	20,798	43,300	39,200
Utilities	-	-	-
Insurance & Casualties	-	-	-
Miscellaneous	24,687	46,560	28,440
Leases & Rentals	3,239	3,000	3,000
Depreciation	-	-	-
TOTAL DEPARTMENT BUDGET	\$ 974,742	\$ 1,264,728	\$ 1,140,919

STAFFING	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
VP Marketing & Administration	1.00	1.00	1.00
Senior Manager of Marketing & Communications	1.00	1.00	1.00
Marketing Coordinator	1.00	1.00	1.00
Community Relations Manager	1.00	1.00	1.00
Executive Assistant	2.00	1.00	-
Communications Coordinator	1.00	1.00	1.00
Intern	-	1.00	1.00
Community Relations Coordinator	-	1.00	1.00
Receptionist	-	1.00	-
TOTAL	7.00	9.00	7.00

**MATERIAL BUDGET ITEMS:**

- Executive Assistant & Receptionist positions have been moved under the new Administration department
- Includes design and production of new
- in-vehicle signage program

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY20 OBJECTIVES & PERFORMANCE MEASURES – MARKETING & COMMUNICATIONS**LOOKING AHEAD****FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES****OBJECTIVE:****EVALUATE AND IMPLEMENT SERVICE CHANGES**

- Successfully implement service changes and new service launches
- Maintain current service information and upcoming service change information on DCTA's website

OBJECTIVE:**IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE**

- Develop turnkey marketing and communications guidelines for agencies interested in mobility as a service contracts
- Develop innovative marketing and communications strategies to support the launch of mobility as a service alternatives
- Maintain current information regarding maas on DCTA's website

OBJECTIVE:**EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS**

- Assist with the review and implementation of alternative fare payment solutions
- Develop and implement strategic marketing and communications efforts to support the launch of alternative fare payment solutions
- Maintain current fare collection information on DCTA's website

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH**OBJECTIVE:****LEVERAGE EXISTING A-TRAIN ASSETS**

- Continue to market a-train station accessibility and ease of use to drive new ridership

OBJECTIVE:**EXPLORE NEW REGIONAL COMMUTER CORRIDORS**

- Assist the operations department with public outreach and communication to support the exploration of new regional commuter corridors

ADVANCE TRANSIT ORIENTED DEVELOPMENT PLANNING AND IMPLEMENTATION**OBJECTIVE:****LEAD COUNTY-WIDE ECONOMIC DEVELOPMENT PLANNING**

- Develop and host regional transportation forums to discuss economic development opportunities near a-train stations
- Continue ongoing communications with regional stakeholders to discuss opportunities for economic development initiatives

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND**OBJECTIVE:****FOSTER A SERVANT LEADERSHIP CULTURE ACROSS THE ORGANIZATION**

- Support the agency's servant leadership philosophy and training activities through engaging creative documentation and follow-up

OBJECTIVE:**ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES**

- Actively engage with community stakeholders to share the agency's mission and vision
- Represent the agency on community councils, boards and coalitions
- Participate in community forums to share DCTA's service model and discuss partnership opportunities

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY**OBJECTIVE:****EVALUATE FIXED-ROUTE SERVICES FOR TRANSITION TO ON-DEMAND ZONE SERVICES**

- Support the operations department with efforts to best communicate modifications to existing service and implementation of new on-demand zone services
- Maintain current service information on DCTA's website

OBJECTIVE:**RECEIVE FEDERAL RAILROAD ADMINISTRATION POSITIVE TRAIN CONTROL CERTIFICATION AND APPROVAL OF POSITIVE TRAIN CONTROL SAFETY PLAN**

- Maintain positive train control progress report on DCTA website

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****GATHER STAKEHOLDER PRIORITY INITIATIVES AND INCORPORATE INTO THE AGENCY'S VISION AND STRATEGY**

- Develop and distribute updated strategic planning guidance report
- Execute a contract with a transformation consultant and initiate the first task order to kick start the transformation initiative

OBJECTIVE:**LEVERAGE THE NORTH TEXAS MOBILITY CORPORATION TO ENSURE COSTS ARE ALLOCATED EFFICIENTLY BETWEEN MEMBER AND NON-MEMBER CITIES AND TO IMPROVE SERVICE DELIVERY**

- Coordinate marketing and communications initiatives with the operations department to ensure successful development and implementation

PERFORMANCE MEASURE RESULTS – MARKETING & COMMUNICATIONS

FY19 PROGRESS REPORT

MAXIMIZE SERVICE EFFICIENCY AND RELIABILITY**OBJECTIVE:****CONSISTENTLY MONITOR AND EVALUATE SERVICES IN ACCORDANCE WITH ADOPTED SERVICE STANDARDS**

- Survey passengers to obtain feedback on overall satisfaction
 - Conducted bi-annual passenger satisfaction survey with a .46% Increase in participation compared to the 2017 survey
- Actively promote GOResult to encourage passenger feedback
 - Continued promotion of GOResult through all advertising and media channels to promote usage and resolution
- Utilize GOResult inquiries to provide rider feedback to operations
 - Continued to utilize GOResult as a comprehensive aggregator to collect and manage passenger compliments, complaints and issues
- Proactively engage with passengers at events and community gatherings to solicit feedback
 - Participated in community events resulting in nearly 310k global impressions and more than 25k confirmed impressions (up 100% year over year (YOY))
- Drive increased public involvement through regularly scheduled public meetings
 - Conducted open house meetings in November 2018 and May 2019 to support operational changes that required public feedback
- Monitor service change feedback and provide rider feedback to operations
 - Continued to utilize GOResult as a comprehensive aggregator to collect and manage passenger compliments, complaints and issues

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Monitor social media and report service feedback accordingly
 - Continued to monitor and engage via social media channels, resulting in an 18% increase in Facebook likes, a 68% increase in Twitter followers, a 36% increase in YouTube subscribers, and a 61% increase in LinkedIn followers

OBJECTIVE:**ENSURE ROUTES ARE EASY TO UNDERSTAND**

- Utilize new maps and timetables to communicate service offerings
- Continue to optimize route guide layout and content
 - Modified and implemented individual route guides to support routine service changes
- Identify translation standards and incorporate standards into DCTA's title vi program
 - Updated language in DCTA's Title VI program to clearly identify agency translation standards, and identified team member to manage and maintain those standards
- Create efficiencies across all departments in the development of routine service change collateral
 - Participated in service change kick-off meetings and worked collaboratively with the program manager for a successful outcome
- Continue to implement the passenger information communication architecture (revamp maps, at-stop signage and bus shelter vinyl)
 - Continued to update public signage as needed for service changes, programs and promotions to educate passengers
- Develop and execute comprehensive marketing and communications plans to promote routine service changes
 - Developed and implemented comprehensive service change campaigns targeted at specific and broad audiences in January 2019 and August 2019
- Continue to audit passenger signage and communications to enhance the rider experience
 - Continued to enhance passenger signage in conjunction with agency campaigns and initiatives
- Continue to work with UNT to promote consistent messaging regarding service
 - Implemented monthly meetings with UNT's transportation office to enhance student communications and resolve service complaints

MAXIMIZE THE EFFECTIVENESS OF SERVICE FOR DCTA'S RIDERSHIP MARKETS**OBJECTIVE:****PROVIDE ACCESS TO MAJOR CENTERS OF DEMAND FROM ALL PARTS OF THE DCTA SERVICE AREAS**

- Engage in partner discussions regarding customized service to major centers of demand
 - Conducted discussions with Denton Enterprise Airport Zone businesses, Lakeway Zone apartment complexes and hotels, chambers of commerce, and local businesses to better understand service needs and modify service as needed
- Hold bi-annual public meetings to collect feedback regarding potential service modifications
 - Conducted open house meetings in November 2018 and May 2019 to support operational changes that required public feedback
- Continue to utilize GORquest to collect feedback from passengers
 - Continued to utilize GORquest as a comprehensive aggregator to collect and manage passenger compliments, complaints and issues
- Engage in customer and community conversations via social media channels to encourage discussion about service
 - Continued to monitor and engage via social media channels, resulting in an 18% increase in Facebook likes, a 68% increase in Twitter followers, a 36% increase in YouTube subscribers, and a 61% increase in LinkedIn followers
- Continually work with planning staff to support service initiatives in employment centers and high-density residential service areas
 - Developed communications tactics for Collin County Transit expansion, Coppell Lyft Program, Denton Enterprise Airport Zone expansion, Flower Mound Lyft Program, and Frisco's Drive.ai autonomous vehicle program
- Support contract service with required marketing and communications efforts
 - Developed communications tactics for UNT campus shuttles, UNT's Lyft Program, Collin County Transit expansion, Coppell Lyft Program, and Flower Mound Lyft Program

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

OBJECTIVE:**INCREASE INCREMENTAL REVENUE SERVICE OFFERINGS FOR THE AGENCY**

- Actively promote and track sales for the corporate pass program
 - Successfully sold \$76,339 in passes (up 11% YOY), tracked nearly 4K potential businesses in the outreach database (up 90% YOY), made 282 cold calls (up 112% YOY), sent more than 600 direct mailers (down YOY due to strategic change in distribution tactics), distributed more than 300 informational packets (up 220% YOY), and tracked nearly 1K website hits (up 43% YOY)
- Actively promote and track sales for the group discount program
 - Sold \$5,914 in passes and tracked more than 500 website hits
- Actively promote and track sales for the non-profit discount program
 - Sold \$13,488 in passes and tracked nearly 1K website hits
- Increase website traffic for all discount pass programs to increase awareness and potential incremental revenue
 - Tracked 925 website hits for the Employee Pass Program (up 43% YOY), 554 website hits for the Group Discount Program (up 7.8% YOY), and tracked 947 website hits for the Non-Profit Discount Program (up 17% YOY)
- Update and launch DCTA's in-transit advertising program
 - Updated the agency's In-Transit Advertising Program materials and created list of interested parties to target once the program has launched
- Execute ticket promotions to increase ridership
 - Successfully launched bundle-priced and free ride campaigns to positively impact ridership for: Election Day, Veteran's Day, Denton County Friends of the Family Holiday Express, Denton Holiday Lighting/Wassail Fest, Thin Line Film Festival, Denton Black Film Festival, Highland Village Balloon Festival, Lewisville Western Days, and the State Fair of Texas
- Continue to promote all DCTA services to build brand awareness and potential incremental revenue opportunities
 - Continued to promote DCTA services, programs and promotions via social media, advertisements, facility and vehicle signage, partnership billboards, DCTA website, Hop on Board Blog, media outreach, community events, community outreach, email marketing, and partner communications

INCREASE THE VISIBILITY AND ELEVATE THE IMAGE OF DCTA**OBJECTIVE:****PROVIDE MORE EFFECTIVE COMMUNICATIONS AND MARKETING TOOLS TO PROMOTE TRANSIT USE AND TO ADVANCE THE VISION, MISSION AND GOALS OF THE AUTHORITY**

- Maximize media exposure and increase earned media value in local, regional, national, and industry media outlets
 - Reported more than 1K media placements (up 26% YOY), more than \$387M story impressions (up 76% YOY), and more than \$1.7M in publicity value (up 87% YOY)
- Continue to optimize new website to enhance the brand's communications efforts
 - Reported 72% new user activity (up 18% YOY), more than 375K website sessions, and an average of 2.53 pages per session - all showcasing website efficiency, an enhanced user experience and simplified navigation
- Continually update website content to increase pageviews, number of pages visited, and average time on site
 - Identified webmaster to manage day-to-day web enhancements and implemented strategic web update project to address initial feedback from the launch of the new website
- Increase social media impressions and engagement by implementing strategic campaigns
 - Conducted numerous social media campaigns to promote DCTA services, programs and promotions resulting in an 18% increase in Facebook likes, a 68% increase in Twitter followers, a 36% increase in YouTube subscribers, and a 61% increase in LinkedIn followers
- Continue applying for local and industry awards to further elevate the agency image to external audiences
 - Received 16 industry awards in recognition of marketing and communications initiatives executed by team

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

OBJECTIVE:**PROVIDE EASY-TO-UNDERSTAND SIGNAGE AND PASSENGER INFORMATION THAT PROMOTES THE EASE OF USE OF THE AUTHORITY'S SERVICES**

- Continue to elevate the content provided in the passenger newsletter
 - Delivered 65,710 email newsletters (up 30% YOY) and maintained a 15% open rate and 1% click through rate, which is well above the national industry average
- Coordinate with operations to effectively produce revised passenger information materials for schedule revision implementation in January and August
 - Developed and implemented comprehensive service change campaigns targeted at specific and broad audiences in January 2019 and August 2019
- Utilize updated maps and timetables in all signage and materials
 - Modified and implemented individual route guides to support routine service changes and expanded use of maps and timetables on DCTA website for user accessibility and usage
- Distribute revised passenger information materials twice a year at least two weeks in advance of any service changes
 - Successfully promoted and distributed service change materials prior to each service change
- Develop comprehensive distribution plans to increase placement of passenger information throughout the community
 - Successfully developed and implemented a community outreach distribution spreadsheet, by type, to strategically distribute agency materials
- Continue implementing elements of the passenger information communication architecture (map redesign, at-stop information and bus shelter information)
 - Continued to implement all aspects of the agency's Passenger Information Plan
- Gather feedback regarding improvements to passenger information through surveys, community events and citizen's advisory team
 - Conducted the bi-annual passenger satisfaction survey which includes free form answers for passenger feedback, attended community events with more than 309K global impressions and more than 25K confirmed one-on-one impressions (up 100% YOY), conducted and reported on three Citizen's Advisory Team meetings, and began the process of revising the Citizen's Advisory Team to garner additional attendance and impact

OBJECTIVE:**ENSURE TRANSPARENCY AND OPENNESS TO THE PUBLIC THROUGHOUT ALL OF THE AGENCY ACTIVITIES**

- Provide updated information on the agency's website and blog
 - Identified webmaster to manage day-to-day web enhancements and implemented strategic web update project to address initial feedback from the launch of the new website; continue to promote agency services, programs and promotions via the Hop on Board Blog, created new and engaging content to increase subscribers and readership, reported more than 8.5K total users on the blog (up 69% YOY), nearly 1K return users (up 17% YOY), more than 13K pageviews (up 53% YOY), and an increase of 24% in subscribers YOY
- Coordinate with internal dcta departments to upload pertinent content to the DCTA website
 - Identified webmaster to manage day-to-day web enhancements and implemented strategic web update project to address initial feedback from the launch of the new website
- Encourage public participation by conducting public meetings and community outreach in accordance with the agency's public involvement plan
 - Conducted open house meetings in November 2018 and May 2019 to support operational changes that required public feedback, and engaged with more than 25K people through community event outreach
- Actively engage and inform the public through a variety of formats including traditional, online, print, social media, and video
 - Continued to promote DCTA services, programs and promotions via social media, advertisements, facility and vehicle signage, partnership billboards, DCTA website, Hop on Board Blog, media outreach, community events, community outreach, email marketing, and partner communications
- Provide regular communication with stakeholders
 - Implemented 'Inside Track,' a new digital stakeholder newsletter resulting in 2,619 emails delivered, a 77% open rate and 7% click through rate, which is significantly higher than the national industry average

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Identify and coordinate presentation opportunities (rail safety, agency facts, new service, etc.) With civic groups, schools and neighborhood associations
 - Conducted numerous safety presentations to area schools, led multiple school transit field trips, and devised cross-promotional partnership with the Denton Independent School District

OBJECTIVE:**PARTNER WITH LOCAL ORGANIZATIONS, BUSINESSES, MUNICIPALITIES AND OTHER AGENCIES TO ENHANCE DCTA'S COMMUNITY OUTREACH AND INFORMATION EFFORTS**

- Continue to enhance partnership with UNT to increase communications efforts
 - Implemented monthly meetings with UNT Transportation Office to enhance student communications and resolve service complaints, maintained timely social media and GOResponse entry and resolution to identified issues, developed semester campaign messaging, and implemented a 'How to Get Around' campaign that's hosted on DCTA's website and distributed each semester
- Continue to partner with member cities to expand communication reach
 - Routinely partnered with all three member cities to distribute key agency messaging regarding services, programs and promotions
- Continue to partner with contract cities and cities of interest to increase overall brand awareness
 - Routinely partnered with contract cities to distribute key agency messaging regarding services, programs and promotions
- Continue to take part in job, apartment and student fairs
 - Attended and participated in more than 60 job, apartment and student fairs
- Continue to engage in member city community events
 - Provided sponsorship, on-site activation and shuttle service for the Denton Arts & Jazz Festival, the Highland Village Balloon Festival, and the City of Lewisville's Western Days; the agency also participates in a wide variety of member city event sponsorships
- Engage in partnerships with chambers of commerce and CVBS to expand communications reach
 - Routinely partnered with the Denton CVB, Denton Welcome Center, Highland Village Business Association and the Lewisville Welcome Center to promote agency services, programs and promotions
- Explore and execute community events in adjacent cities and key cities along corridors of interest
 - Identified and participated in key sponsorships related to DCTA's corridors of interest
- Develop community relationships to assist in the promotion of social content
 - Actively communicated with agency stakeholders and partners to amplify DCTA's social media content to further promote agency services, programs and promotions
- Develop relationships with community bloggers and key influencers to take part in new programs and expand communications reach
 - Strategically incorporated community and local influencers as appropriate by utilizing social media outreach, messaging promotional support, and a variety of other tactics
- Continue to maximize community events and develop innovative methods to directly impact individuals in attendance
 - Participated in community events resulting in nearly 310K global impressions and more than 25K confirmed impressions (up 100% YOY), attended and participated in more than 60 job, apartment and student fairs, and conducted numerous safety presentations to area schools, led multiple school transit field trips, and devised cross-promotional partnership with the Denton Independent School District
- Continue to collect email addresses at events to increase DCTA's email marketing database
 - Collected 949 new email addresses from community event activations, with a total of 3,606 event emails in total

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

EXPAND DCTA'S SERVICES INTO AREAS WHERE TRANSIT HAS A STRONG LIKELIHOOD OF SUCCESS**OBJECTIVE:****PROVIDE OUTREACH TO NON-PARTICIPATING CITIES AND OTHER POTENTIAL PUBLIC OR PRIVATE PARTNERS**

- Assist with the launch of new and/or expanded services
 - Developed communications tactics and implemented successful campaigns for Collin County Transit expansion, Coppell Lyft Program, Denton Enterprise Airport Zone expansion, Flower Mound Lyft Program, and Frisco's Drive.ai autonomous vehicle program, as well as routine service changes and modifications
- Assist with the launch of contract services
 - Developed communications tactics for UNT campus shuttles, UNT's Lyft Program, Collin County Transit expansion, Coppell Lyft Program, and Flower Mound Lyft Program
- Assist in cultivating and developing partnership opportunities of prospective new communities
 - Assisted the Planning Department with materials necessary to develop new partnerships and potential contract service
- Engage chambers of commerce and CVBS in prospective new communities
 - Regularly participated in McKinney Chamber of Commerce quarterly luncheons and localized qualification events for Collin County Transit
- Develop and launch outreach campaigns targeted at prospective new communities
 - Routinely communicated DCTA's general brand messaging throughout the county and to targeted cities to increase agency awareness and brand affinity
- Support DCTA Board of Directors and executive staff with preparation of marketing collateral and presentations
 - Successfully responded and produced content and/or materials as requested
- Provide non-participating cities and other potential public or private partners with information as needed
 - Successfully responded and produced content and/or materials as requested

OBJECTIVE:**PROVIDE EASY-TO-UNDERSTAND SIGNAGE AND PASSENGER INFORMATION THAT PROMOTES THE EASE OF USE OF THE AUTHORITY'S SERVICES**

- Develop and launch strategic passenger information plan to address public-facing signage, installation and consistency
 - Continued to implement all aspects of the agency's Passenger Information Plan, and conducted all research required to design and implement more strategic and effective on-board signage to best support the agency's key messaging
- Develop specialized passenger information to support the expansion and/or launch of new service
 - Continued to implement all aspects of the agency's Passenger Information Plan, and conducted all research required to design and implement more strategic and effective on-board signage to best support the agency's key messaging
- Update specialized signage as part of the regularly schedule passenger information communication architecture (map redesign, at-stop information and bus shelter information)
 - Continued to update public signage as needed for service changes, programs and promotions to educate passengers
- Develop new and update existing collateral materials to promote dcta services and programs
 - Developed and distributed brand-new agency collateral to support: Lewisville Lakeway On-Demand, Bike to Work Day, UNT Campus Shuttle Route Number Change, University Pass Program, State Fair of Texas Schedule and Promotion, Lewisville Access to Flower Mound via Lyft, and #WhyIRide Program
- Continue to promote services, programs and news via signage at facilities and in vehicles
 - Continued to update public signage as needed for service changes, programs and promotions to educate passengers
- Create new route guides to enhance map and timeline communications
 - Modified and implemented individual route guides to support routine service changes and expanded use of maps and timetables on DCTA website for user accessibility and usage
- Continue to translate vital documents and create large-print materials as required
 - Updated all communications and large-print language in DCTA's Title VI Program to clearly identify agency translation standards, and identified team member to manage and maintain those standards

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

COORDINATE REGIONAL SERVICES WITH OTHER REGIONAL TRANSPORTATION PROVIDERS**OBJECTIVE:****MEET QUARTERLY WITH TRANSIT STAFF FROM ADJACENT PROPERTIES TO REVIEW SERVICE OPTIONS AND COORDINATION OPPORTUNITIES**

- Host regularly scheduled meetings with marketing and communications staff to discuss progress of strategic marketing and communications plan and other projects as necessary
 - Conducted monthly Marketing & Communications staff meetings, weekly Community Relations staff meetings and bi-weekly Communications staff meetings; other staff meetings scheduled based on departmental needs
- Engage in regular meetings with customer service staff to communicate effectively and monitor performance
 - Conducted monthly meetings with customer service staff to ensure overall understanding of DCTA services, programs and promotions, and provide operations with informational content to use while training customer service staff
- Attend monthly safety meetings hosted by first transit to remain engaged with operational staff
 - Routinely attended bus operations safety meetings to present new information and garner feedback on agency services, programs and promotions
- Meet with NCTCOG to discuss projects and programs as necessary
 - Continued an ongoing dialogue with NCTCOG staff related to communications and public involvement
- Regular meetings with TxDOT communications team during 35Express project
 - Engaged in daily email updates regarding construction project and attend meetings as needed

OBJECTIVE:**CONSIDER JOINT OPERATIONS / SHARED FUNDING OF TRANSIT SERVICES THAT CROSS COUNTY BOUNDARIES**

- Meet with regional transit partners quarterly to discuss initiatives and opportunities for collaboration
 - Conducted quarterly marketing and communications meetings with DART and Trinity Metro to discuss agency initiatives and opportunities for partnership and collaboration
- Meet routinely with Trinity Metro to discuss plans and performance of North Texas Xpress
 - Conducted bi-monthly conference calls with Trinity Metro to discuss marketing and communications efforts for North Texas Xpress, and coordinate service change materials and updated web content when needed
- Continue partnering with DART, Trinity Metro and TRE on cross promotional opportunities including regional initiatives and special events
 - Conducted quarterly marketing and communications meetings with DART and Trinity Metro to discuss agency initiatives and opportunities for partnership and collaboration, and collaborated with DART on the 2019 State Fair of Texas ticket bundle in order to drive increased ridership on the A-train
- Collaborate with DART, Trinity Metro and NCTCOG on the development and execution of joint projects as necessary
 - Routinely communicated with all partnership to assist in cross promoting promotional or key messaging as needed
- Collaborate with transit agencies across the us to research and receive feedback on projects and programs
 - Attended APTA's annual marketing and communications workshop, identified new contacts with colleagues from agencies across the US, and gained access to APTA's marketing and communications online forum to gain insights and feedback on projects, programs and potential challenges

OBJECTIVE:**ENSURE PROMOTION OF VANPOOLS AND OTHER RIDESHARING OPPORTUNITIES AT MAJOR EMPLOYERS THROUGHOUT NORTH TEXAS PROPERTIES TO REVIEW SERVICE OPTIONS AND COORDINATION OPPORTUNITIES**

- Support operations as needed to promote the vanpool program
 - Provided support as needed
- Coordinate with the planning department to assist with the communications of mobility options throughout North Texas
 - Successfully responded and produced content and/or materials as requested
- Support partnerships with TNCS with strategic marketing and communications efforts
 - Developed communications tactics for UNT campus shuttles, UNT's Lyft Program, Collin County Transit expansion, Coppell Lyft Program, and Flower Mound Lyft Program

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Participate in regional events
 - Successfully sponsored and attended member city events, sponsored key non-member city events, and participated in regional events as appropriate
- Target Denton County employers that have employees driving from outside of Denton County
 - Engaged businesses as part of the agency's Employer Pass Program outreach, increased sales kit distribution by 220% YOY, and actively promoted the agency's Vanpool Program
- Promote ridesharing opportunities through use of DCTA's station parking lots
 - Actively promoted large agency station parking lots as park and ride locations, specifically for special events and the State Fair of Texas

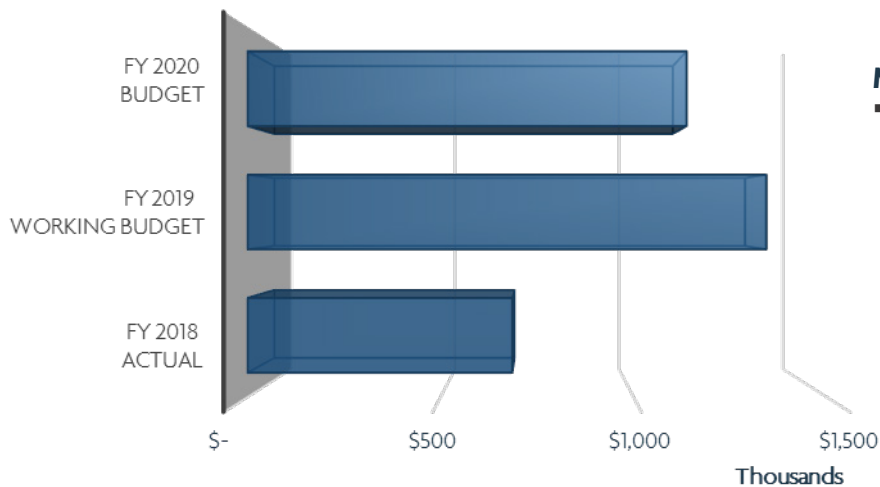
GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

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 of system-wide planning in the context of regional metropolitan transportation planning and economic development. This department also supports legislative initiatives, administers Board support and records management, and coordinates General Counsel.

EXPENSES	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$ 403,966	\$ 790,943	\$ 798,982
Services	261,140	519,113	306,500
Materials & Supplies	-	-	-
Utilities	-	-	-
Insurance & Casualties	-	-	-
Miscellaneous	20,870	33,700	31,850
Leases & Rentals	-	-	-
Depreciation	-	-	-
TOTAL DEPARTMENT BUDGET	\$ 685,976	\$ 1,343,756	\$ 1,137,332

STAFFING	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Deputy CEO	1.00	1.00	1.00
Senior Planner	1.00	-	-
Director of Strategic Partnerships	1.00	1.00	1.00
Project Management Specialist	-	1.00	1.00
Senior Regional Planner	-	1.00	1.00
Executive Administrator	-	1.00	1.00
Director of Capital Development	-	1.00	1.00
TOTAL	3.00	6.00	6.00

**MATERIAL BUDGET ITEMS:**

- Includes professional services for the Corinth Station Planning Development, which is fully reimbursed by the city.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY20 OBJECTIVES & PERFORMANCE MEASURES – STRATEGIC PLANNING & DEVELOPMENT**LOOKING AHEAD****FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES****OBJECTIVE:****IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE**

- Facilitate discussion with city leaders of communities without transit to determine mobility needs, develop customized mobility solutions leveraging DCTA's maas contracts, and encourage participation in DCTA contracted service
- Participate in state and federal policy discussions relating to maas initiatives to protect transit agency interest for continued deployment of maas projects

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH**OBJECTIVE:****LEVERAGE EXISTING A-TRAIN ASSETS**

- Assist the city of Corinth in conducting planning initiatives to further develop the potential for a new station along a-train corridor

OBJECTIVE:**EXPLORE NEW REGIONAL COMMUTER CORRIDORS**

- Develop a program plan for commuter bus service along the SRT/121 corridor including the development of service parameters, identifying program partners, securing operating/capital funds and developing a service implementation plan
- Explore potential passenger rail service along the KCS Denton-Dallas rail corridor, gauge interest with regional partners and local stakeholders, and begin developing a service implementation plan
- Explore potential passenger rail service along the BNSF Frisco rail corridor, gauge interest with regional partners and local stakeholders, and begin developing a program development plan
- Explore interest with regional partners and local stakeholders for potential commuter bus service along the US 380 corridor connecting Denton and McKinney
- Coordinate with transportation management associations, DART and Trinity Metro to explore future partnership opportunities as DCTA expands services through commuter corridors

ADVANCE TRANSIT ORIENTED DEVELOPMENT PLANNING AND IMPLEMENTATION**OBJECTIVE:****LEAD COUNTY-WIDE ECONOMIC DEVELOPMENT PLANNING**

- Support Denton County Commissioners, municipalities and development partners by serving as a resource to help align regional economic development initiatives, infrastructure investments and funding mechanisms for the execution of public private land development partnerships

OBJECTIVE:**WORK WITH CORRIDOR CITIES TO IMPLEMENT TRANSIT ORIENTED DEVELOPMENT**

- Improve transit oriented development opportunities and enhance land use initiatives around existing A-Train stations and future rail stations by working with municipalities, economic development corporations and developers to identify new development opportunities and potential partnerships

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND**OBJECTIVE:****ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES**

- Participate in strategic discussions throughout the region to provide updates on DCTA's innovative and forward-thinking activities and identify partnership opportunities for solving mobility challenges through innovative mobility solution implementation

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:**

DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS

- Continue coordinating with the finance team in the development of financial modeling for long range planning initiatives
- Continue seeking funding opportunities through regional, state and federal sources to enhance agency long range initiatives
- Continue building strategic partnership opportunities to help advance agency programs and initiatives

PERFORMANCE MEASURE RESULTS – STRATEGIC PLANNING & DEVELOPMENT**FY19 PROGRESS REPORT****SAFETY – PASSENGER, EMPLOYEE, PUBLIC****OBJECTIVE:**

ENSURE ALL CONTRACTS WITH TRANSPORTATION NETWORK COMPANIES, MOBILITY AS A SERVICE, OR OTHER ON-DEMAND SERVICE PROVIDERS RELATED TO INNOVATIVE MOBILITY SOLUTIONS INCLUDE APPROPRIATE SAFETY REQUIREMENTS TO MEET DCTA POLICY AND ANY OTHER LOCAL, STATE, OR FEDERAL SAFETY REGULATIONS

- As new service opportunities arise, work with procurement to ensure contracts have appropriate language to support safety requirements and DCTA policy
 - Engaged and participated in industry-wide best practices webinars, workshops and other training opportunities.
- Develop and communicate safe rider tips for different mobility services
 - Coordinated communication efforts for new mobility solutions with internal departments to ensure effective messaging for passenger information.

MAXIMIZE SERVICE EFFICIENCY AND RELIABILITY**OBJECTIVE:**

CONTINUE TO IDENTIFY OPPORTUNITIES WHERE MOBILITY AS A SERVICE AND OTHER ON-DEMAND OPTIONS CAN BE INCORPORATED TO ENHANCE CONNECTIVITY TO EXISTING SERVICE

- Explore opportunities with third party service and technology vendors to stay apprised of new and emerging innovations
 - Completed a successful Request for Proposals resulting in the Agency's ability to contract with 30 third-party vendors to assist the agency in delivering innovative mobility options.
- As businesses approach DCTA to develop transportation solutions for employees, incorporate on-demand services as an efficient and reliable option in corporate transportation packages
 - Regular meetings held with city staff, stakeholders, developers and agency partners to discuss options for incorporating on-demand services within new developments and employment districts.

MAXIMIZE THE EFFECTIVENESS OF SERVICE FOR DCTA'S RIDERSHIP MARKETS**OBJECTIVE:**

CONDUCT ONGOING ANALYSES OF MOBILITY SERVICES TO MEET THE NEEDS OF UNIQUE TRANSIT MARKETS

- Study ridership trends and preferences among target populations
 - Worked closely with the Frisco TMA in designing an automated vehicle pilot program within Frisco to identify mobility preferences and comfort levels in using more advanced technologies, especially within high-density commercial developments.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Through a public-private partnership, DCTA deployed an on-street AV pilot program in a high-density commercial district in Frisco, while conducting ongoing analyses of ridership trends and preferences. This has become a recognized use-case study for possible future AV deployments.
- Through a public-private partnership, Alliance Link, an on-demand, dynamic, and first-/last mile solution was deployed through grant funding to serve the Alliance area. This pilot became a use-case scenario by which DCTA identified more cost-efficient solutions to serve the mobility needs of the Alliance Link service area, resulting in a first-/last mile, on-demand program using a TNC in partnership with a regional transit provider.
- Explore opportunities for public-private partnerships to provide customized service solutions
 - Worked closely with Operations to study ridership trends among DCTA passengers; engaged and participated in industry-wide discussions to learn from peer agencies.
 - Completed a successful Request for Proposals resulting in the Agency's ability to contract with 30 third-party vendors to assist the agency in delivering innovative mobility options.

INCREASE THE VISIBILITY AND ELEVATE THE IMAGE OF DCTA**OBJECTIVE:****PARTNER WITH LOCAL ORGANIZATIONS, BUSINESSES, MUNICIPALITIES AND OTHER AGENCIES TO ENHANCE DCTA'S COMMUNITY OUTREACH AND INFORMATION EFFORTS**

- Participate in planning initiatives, informational meetings and events, provide technical assistance when needed and support initiatives with transit, development and sustainability elements.
 - Regular meetings have been held with member cities, Denton County, stakeholders, developers and other agency partners; chaired the Surface Transportation Technical Committee (STTC) and will continue to engage this group; regularly attend and participate in Regional Transportation Committee (RTC) meetings.
 - Regularly attend and provide briefings at Dallas Regional Mobility Coalition (DRMC), Tarrant Regional Transportation Coalition (TRTC), and Metroplex Mayors Association.
- Present information regarding agency expansion and improvement projects to the community, regional agencies and county and city officials
 - Coordinate with CEO and Executive Team on regular briefings with member cities and other stakeholders, as requested or strategically necessary.

EXPAND DCTA'S SERVICES INTO AREAS WHERE TRANSIT HAS A STRONG LIKELIHOOD OF SUCCESS**OBJECTIVE:****PROVIDE OUTREACH TO NON-PARTICIPATING CITIES AND OTHER POTENTIAL PUBLIC OR PRIVATE PARTNERS**

- Assist with identifying and prospecting new communities along key corridors where transit has a likelihood of success, assist leaders within those communities to determine need, develop appropriate solutions and encourage participation
 - Regular meetings were held with city staff, stakeholders, developers and agency partners to discuss new developments and any transit needs foreseen throughout Denton and Collin counties. This will be an ongoing effort by the agency, as directed by the Board of Directors.
- Strategically attend events and meetings that represent key corridors and actively engage target stakeholders
 - Will continue to identify and attend events allowing the Agency to actively engage with target markets, as directed by the Board of the Directors
- Partner with new employers and private developers with large populations in our service area, to enhance transit connectivity related to job access
 - Deployed first-/last mile, on-demand service in partnership with Trinity Metro at Alliance, Texas, providing connectivity to the North Texas Xpress; and with the City of Coppell, providing connectivity to regional transit, including the A-train Hebron Station. These services provide mobility to large employment centers that rely heavily on a low-wage workforce, providing cost-effective solutions for employees and an enhanced recruitment tool for employers.
- Assist in coordination of collaborative groups with similar objectives involving mobility solutions
 - As a founding member of the Frisco TMA, work very closely with private developers and employers to assess and deploy mobility solutions to improve job access within densely populated commercial districts.
 - Conducted significant outreach to assess mobility needs and solutions along the Sam Rayburn Corridor, coordinating with municipalities, chambers of commerce, developers, employers and others. Staff will strategically re-engage corridor partners as directed by the Board of Directors.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

COORDINATE REGIONAL SERVICES WITH OTHER REGIONAL TRANSPORTATION PROVIDERS**OBJECTIVE:**

MEET QUARTERLY WITH TRANSIT STAFF FROM ADJACENT PROPERTIES TO REVIEW SERVICE OPTIONS AND COORDINATION OPPORTUNITIES

- Attend/host quarterly meetings with planning staff to discuss potential project partnerships
 - Will continue to lead the coordination of quarterly regional planning meetings with the North Central Texas Council of Governments (NCTCOG) and will continue high level of engagement in NCTCOG initiatives, including serving on the Surface Transportation Technical Committee and participating in discussions related to High-Intensity Bus corridor planning, Mobility On-Demand working group, Bike Pedestrian Advisory Committee (BPAC), Transit Oriented Development working group, alternative fuel workshops, transportation study working groups, and others.
- Attend regular meetings and engage with NCTCOG staff to discuss projects with regional impact potential; participate in NCTCOG working group meetings to share best practices and identify collaboration opportunities
 - Held quarterly meetings with NCTCOG planning staff to review respective projects, identify potential synergies, and collaborate on funding opportunities.

OBJECTIVE:

SUPPORT REGIONAL INITIATIVES WITH OTHER TRANSIT AGENCIES AND NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS

- Co-author grant applications with regional agencies and planning entities
 - Submitted a grant application for the Innovative Coordinated Access and Mobility Program to fund lockers to enhance the homeless population's ability to use transit for job access and medical visits; this grant was in partnerships with municipalities, NCTCOG, and non-profits.
- Attend regional transportation and transit-focused meetings to further engage key stakeholders and partners
 - Will continue to lead the coordination of quarterly regional planning meetings with the North Central Texas Council of Governments (NCTCOG) and will continue high level of engagement in NCTCOG initiatives, including serving on the Surface Transportation Technical Committee and participating in discussions related to High-Intensity Bus corridor planning, Mobility On-Demand working group, Bike Pedestrian Advisory Committee (BPAC), Transit Oriented Development working group, alternative fuel workshops, transportation study working groups, and others.

TIE THE PROVISION OF TRANSIT TO LAND-USE AND THE RESULTING DEMAND LEVELS**OBJECTIVE:**

DEMONSTRATE THE VALUE-ADD OF DCTA IN MEMBER AND CONTRACT CITIES AS IT RELATES TO ECONOMIC DEVELOPMENT

- Improve Transit Oriented Development (TOD) opportunities and enhance land use around existing and future a-train stations by working with municipalities, chambers of commerce, economic development corporations, and others to identify potential development opportunities and partnerships
 - Partnering with member cities to ensure success of TOD projects. This will be an ongoing effort of the agency
- Coordinate with municipal planning and economic development departments to promote transit connectivity in the recruitment of new and re-locating businesses
 - Re-engaged member cities to begin reviewing economic development policies and opportunities to enhance existing and future stations
- Track relevant multi-family /office /residential development activity in our service region
 - Created a database allowing staff to track new developments as they are announced in order to assist with identifying future transportation opportunities
- Research models that project transit demand based on development type and density
 - Work closely with NCTCOG planning and GIS staff to project transit ridership given multiple TOD variables

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

ADVOCATE SUSTAINABLE DEVELOPMENT PRACTICES THAT SUPPORT TRANSIT**OBJECTIVE:**

ADVOCATE FOR TRANSIT-FRIENDLY BUILDING PRACTICES, WORKING WITH PLANNING STAFF AND DEVELOPERS TO ENSURE PLANNED AND FUTURE DEVELOPMENT MEETS TRANSIT SERVICE ACCESS CRITERIA

- Participate in city and regional planning initiatives and provide support during development planning to ensure sustainable development and transit supportive design
 - Working closely with member and non-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
- Strategically engage developers in planning processes that specialize in sustainable development initiatives to positively influence ridership and transit support
 - Regularly engage developers in the planning process, which will 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, FUTURE RAIL OR EXPRESS BUS STATIONS

- Provide technical assistance to local and regional officials
 - Partner with member cities and potential future corridor cities to ensure the success of TOD projects
- Participate in conferences and trainings on transit friendly zoning and land regulation practices
 - Attended conference sessions that focused on zoning, real estate, and land regulation

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

- Monitor new development activity in member cities and provide feedback
 - Meet with member city staff to stay engaged with city economic and community development activities
- Work with city planning and economic development staff to promote connectivity
 - This will be an ongoing effort by the agency

OBJECTIVE:

SUPPORT INFRASTRUCTURE PROJECTS, ESPECIALLY ALONG THE TRANSIT CORRIDORS, THAT COMPLEMENT AND/OR ENHANCE THE SYSTEM'S OPERATIONAL NEEDS

- 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
 - 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

MAINTAIN FISCALLY SOUND AND SUSTAINABLE FINANCIAL PLANS AND BUDGETS THAT REFLECT COMMUNITY PRIORITIES AND VALUES**OBJECTIVE:**

SUPPORT FINANCE, PROCUREMENT, AND OPERATIONS IN MAINTAINING FISCAL RESPONSIBILITY AS NEW AND EXISTING RELATIONSHIPS ARE FURTHER DEVELOPED FROM OUTREACH EFFORTS

- Identify grant funding opportunities through local, regional, state and federal sources, as well as potential public and private sector partners
 - Submitted a grant application for the Innovative Coordinated Access and Mobility Program to fund lockers to enhance the homeless population's ability to use transit for job access and medical visits; this grant was in partnerships with municipalities, NCTCOG, and non-profits. Regularly stay engaged with NCTCOG and federal partners to stay apprised of latest grant opportunities.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

- Work with businesses and key corridor partners to incorporate contract, on-demand services where fixed-route service may be cost prohibitive to encourage cost-efficient transit connectivity
 - Deployed first/last mile, on-demand service in partnership with Trinity Metro at Alliance, Texas, providing connectivity to the North Texas Xpress; and with the City of Coppell, providing connectivity to regional transit, including the A-train Hebron Station. These services provide mobility to large employment centers that rely heavily on a low-wage workforce, providing cost-effective solutions.

LEVERAGE STATE-OF-THE-ART TECHNOLOGY FOR THE DEVELOPMENT OF INNOVATIVE TRANSIT SOLUTIONS**OBJECTIVE:****LEVERAGE PRIVATE SECTOR TECHNOLOGY-BASED SOLUTIONS TO PROVIDE CUSTOMIZED MOBILITY OPTIONS TO UNIQUE MARKETS**

- Explore opportunities with mobility as a service vendors for new programs and solutions
 - Completed a successful Request for Proposals resulting in the Agency's ability to contract with 30 third-party vendors to assist the agency deliver innovative mobility options
- Participate in regional coordination efforts to implement seamless mobility options for passengers
 - Regularly engage in meetings with partner agencies to identify potential collaborations, including NCTCOG coordination meetings.
- Support the development of a centralized data /financial exchange to enhance mobility as a service initiatives
 - Through the MaaS RFP process, engaged multiple firms that have the capability of providing the full MaaS one-payment, trip-planning applications.
- Support the regional development of a consistent network of data and financial transaction information across transit systems for ease of customer use
 - Continue to engage partner agencies to enhance existing and creation of new seamless user technologies.

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

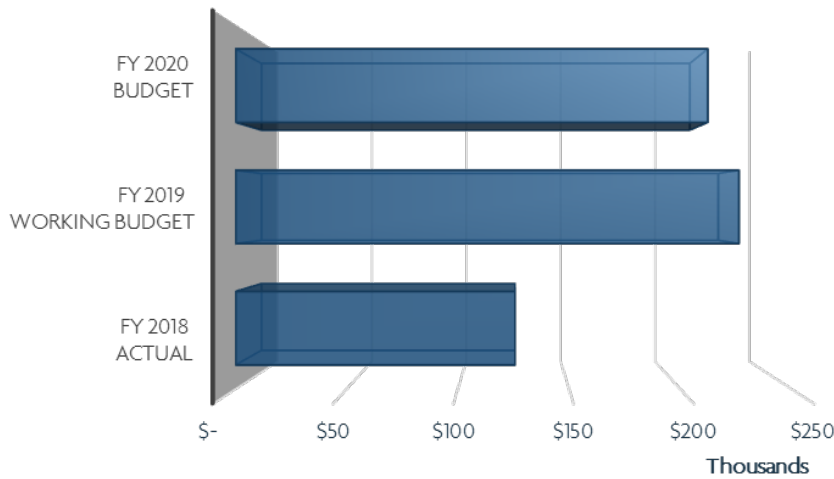
HUMAN RESOURCES

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.

EXPENSES		FY 2018 Actual		FY 2019 Working Budget		FY 2020 Budget
Salary, Wages & Benefits	\$	75,493	\$	96,529	\$	130,546
Services		32,475		91,400		45,600
Materials & Supplies		-		500		-
Utilities		-		-		-
Insurance & Casualties		-		-		-
Miscellaneous		17,761		38,050		36,280
Leases & Rentals		-		-		-
Depreciation		-		-		-
TOTAL DEPARTMENT BUDGET	\$	125,730	\$	226,479	\$	212,426

STAFFING

HR Manager	1.00	1.00	1.00
HR Assistant	-	-	0.50
TOTAL	1.00	1.00	1.50



MATERIAL BUDGET ITEMS:

- Addition of a part-time HR Assistant

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY20 OBJECTIVES & PERFORMANCE MEASURES – HUMAN RESOURCES**LOOKING AHEAD****BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND****OBJECTIVE:****FOSTER A SERVANT LEADERSHIP CULTURE ACROSS THE ORGANIZATION**

- Implement changes to recruiting process and new hire onboarding process to educate new employees on servant leadership philosophies

OBJECTIVE:**ESTABLISH A COMPETITIVE TOTAL COMPENSATION PACKAGE WHICH ALIGNS WITH AND SUPPORTS A CULTURE OF INNOVATION AND PERFORMANCE**

- As a subset of triennial compensation study covering salary and benefits, complete annual market study to gauge competitiveness of pay ranges compared to peer organizations
- Promote staff development by encouraging participation in tuition reimbursement program and additional educational opportunities

PERFORMANCE MEASURE RESULTS – HUMAN RESOURCES**FY19 PROGRESS REPORT****INCREASE THE VISIBILITY AND ELEVATE THE IMAGE OF DCTA****OBJECTIVE:****ENSURE TRANSPARENCY AND OPENNESS TO THE PUBLIC THROUGHOUT ALL OF THE AGENCY ACTIVITIES**

- Maintain DCTA employment website with current opportunities and provide timely, reliable information for those seeking employment
 - Ongoing. Fifteen DCTA job opportunities (12 FT & 3 PT interns) were recruited and hired in FY19
- Identify opportunities for collaboration with local universities on internships and relevant research
 - This will be an ongoing effort by the agency
- Establish a competitive total compensation package that aligns with and supports a culture of innovation and performance
 - Compensation study completed and implemented in FY2019
- Assist the management team in creating a dynamic organization committed to innovation with a focus on productivity and cross-departmental collaboration
 - This will be an ongoing effort by the agency
- Encourage staff empowerment by providing training and tools that promote initiative, career development and achievement of organizational goals
 - This will be an ongoing effort by the agency
- Cultivate a skilled workforce that is recognized for its experts and leaders in the transportation field
 - This will be an ongoing effort by the agency
- Foster an inclusive environment and implement strategies that increase employee job satisfaction and loyalty
 - This will be an ongoing effort by the agency

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

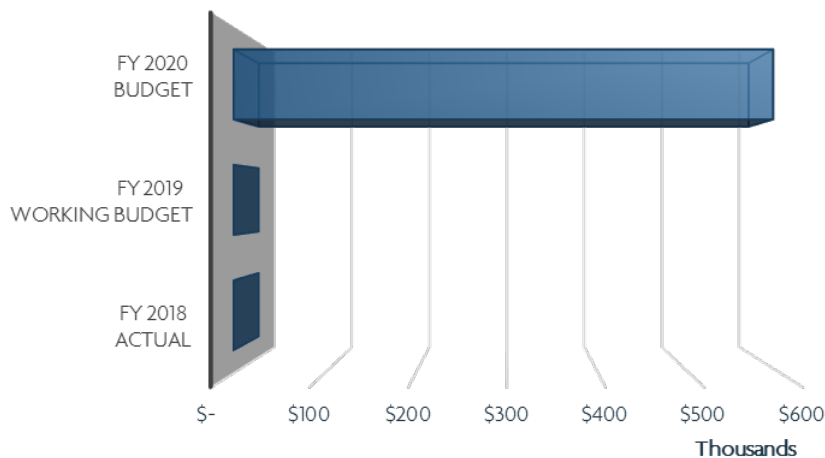
INFORMATION TECHNOLOGY

To provide innovative and efficient information technology solutions for the agency. The department supports all aspects of the agency's technology needs and initiatives as well as protects the agency's technology and data assets from cybersecurity threats. This department was created in FY20. Staff and related expenses were previously accounted for under Transit Management.

EXPENSES	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$ -	\$ -	\$ 284,048
Services	-	-	244,296
Materials & Supplies	-	-	47,200
Utilities	-	-	-
Insurance & Casualties	-	-	-
Miscellaneous	-	-	16,400
Leases & Rentals	-	-	-
Depreciation	-	-	-
TOTAL DEPARTMENT BUDGET	\$ -	\$ -	\$ 591,944

STAFFING

Director of Information Technology	-	-	1.00
Network Administrator	-	-	1.00
Desktop & Application Support Specialist	-	-	1.00
TOTAL	-	-	3.00



MATERIAL BUDGET ITEMS:

- Includes \$30k for upgrades needed for the server room located at the Downtown Denton Transit Center
- Cybersecurity initiative included

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

FY20 OBJECTIVES & PERFORMANCE MEASURES – INFORMATION TECHNOLOGY**LOOKING AHEAD****FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES****OBJECTIVE:**

IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE

- Support the operations team with vetting, testing, and implementing technology solutions required by MASS

OBJECTIVE:

EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS

- Support finance with researching, vetting, testing, and implementing innovative fare payment solutions

BUILD A GREAT EMPLOYEE CULTURE AND A QUALITY BRAND**OBJECTIVE:**

FOSTER A SERVANT LEADERSHIP CULTURE ACROSS THE ORGANIZATION

- Implement technology that fosters a team approach to tackling projects

OBJECTIVE:

ACTIVELY ENGAGE WITH LOCAL AND REGIONAL STAKEHOLDERS AND COMMUNITY LEADERS TO IMPROVE AGENCY AWARENESS AND QUALITY OF SERVICES

- Evaluate and respond to customer wants and needs regarding vehicle technology

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY**OBJECTIVE:**

RECEIVE FEDERAL RAILROAD ADMINISTRATION POSITIVE TRAIN CONTROL CERTIFICATION AND APPROVAL OF POSITIVE TRAIN CONTROL SAFETY PLAN

- Support rail operations team to make sure PTC technology needs are met from internal IT team

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:**

DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS

- Follow it asset lifecycle and create a budget that follows this replacement cycle and allows for innovation and efficiency within the agency

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

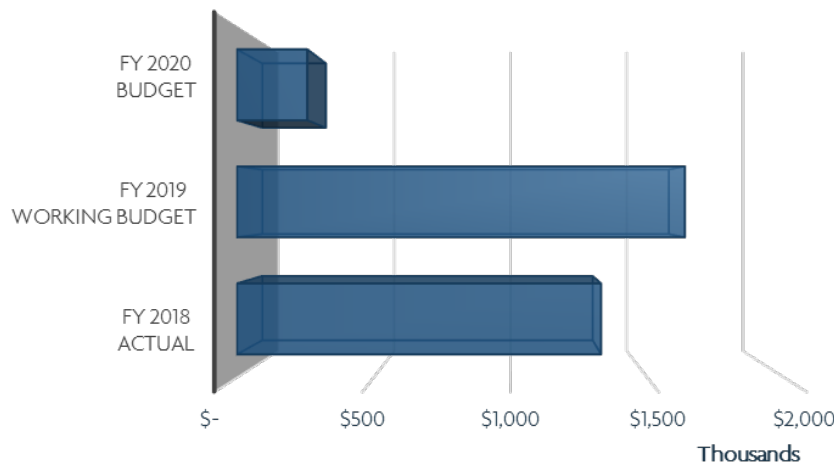
TRANSIT MANAGEMENT

The Transit Management 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 included Information Technology, capital projects management and Bus Operations Management. With this new organizational structure, this department only accounts for the general oversight of all operations. Elements specific to bus or rail operations (i.e. staff support, operating expenses, goals & performance measures) are now broken out into their own separate departments – Bus and Rail Services.

TRANSIT MANAGEMENT				
EXPENSES		FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
Salary, Wages & Benefits	\$	1,009,332	\$ 949,551	\$ 193,317
Services		118,162	424,501	45,066
Materials & Supplies		68,707	63,800	-
Utilities		-	-	12,000
Insurance & Casualties		500	-	-
Purchased Transportation		110,556	158,778	-
Miscellaneous		23,879	40,800	7,000
Leases & Rentals		-	-	-
Depreciation		-	-	-
TOTAL DEPARTMENT BUDGET	\$	1,331,136	\$ 1,637,430	\$ 257,383

STAFFING				
VP of Operations		1.00	1.00	1.00
Director of Information Technology		1.00	1.00	-
Director of Capital Development		1.00	-	-
Construction Inspector		0.75	-	-
AVP, Bus Operations & Maintenance		1.00	-	-
Data & Business Systems Analyst		1.00	-	-
Business Manager - Bus Operations & Maintenance		3.00	-	-
Network Administrator		1.00	1.00	-
Intern		-	0.50	-
Director of Bus Operations & Maintenance		-	1.00	-
Manager of Mobility Services		-	1.00	-
Manager of Bus Administration		-	1.00	-
Operations Analyst		-	2.00	-
Service Planner		-	1.00	-
Desktop & Application Support Specialist		-	1.00	-
Mobility as a Service Coordinator		-	1.00	-
TOTAL		9.75	11.50	1.00

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS



PERFORMANCE MEASURE RESULTS – TRANSIT MANAGEMENT

FY19 PROGRESS REPORT

MAXIMIZE SERVICE EFFICIENCY AND RELIABILITY

OBJECTIVE:

ENSURE AVAILABILITY OF SUFFICIENT SAFE AND RELIABLE IN-SERVICE VEHICLES TO MEET THE DAILY PULLOUT REQUIREMENTS FOR DCTA

- No more than 2 preventable accidents per 100,000 miles for DCTA Bus Operations
 - Achieved; 1.90 preventable accidents per 100,000 miles
- Maintain zero FRA reportable worker injuries
 - Not achieved; 1 FRA reportable injury February 2019 -- employee injured wrist lifting mop bucket out of rail vehicle after mopping the vehicle floor
- 90% of Bus preventative maintenance performed on-time
 - Achieved
- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
 - Achieved; 7 of 11 rail vehicles available for service during FY19
- Ensure timely vehicle procurements consistent with all operating and funding requirements
 - Ongoing
- Be in revenue service demonstration (RSD) by December 31, 2018
 - Achieved; Officially entered RSD 12/18/2018; met goal of 383 successful RSD trips on 9/20/2019; currently in extended RSD waiting for final FRA approval

OBJECTIVE:

OPERATE ON-SCHEDULE WITHIN ADOPTED ON-TIME PERFORMANCE STANDARDS

- 90% on-time performance for bus services
 - Demand Response: Achieved; FY19 actual was 91.33%
 - Fixed Route: Not Achieved, FY19 actual was 78.34%
- 98% on-time performance for rail services
 - Achieved; FY19 actual OTP was 98.17% for rail services

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

OBJECTIVE:**CONSISTENTLY MONITOR AND EVALUATE SERVICE IN ACCORDANCE WITH ADOPTED SERVICE STANDARDS**

- Decrease cost per passenger system wide
 - Achieved; FY19 cost per passenger decrease from \$7.81 to \$6.82.
- Minimize non-revenue hours system-wide, measured as number of Revenue Hours to Service Hours (+85%)
 - Ongoing for rail services; New train schedule implemented 8/26/19 reduced monthly average train deadhead hours ratio from 9.23% to 5.51% for September; reduced car mile deadhead ratio from 4.46% to 3.31%
 - Achieved for bus services; 91.85% ratio

OBJECTIVE:**ENSURE DCTA BUSINESS SYSTEMS, NETWORK INFRASTRUCTURE, BUSINESS PRODUCTIVE TOOLS ARE RELIABLE, COST EFFECTIVE AND SECURE**

- Implement and maintain an IT business continuity and sustainability plan to ensure high reliability and security of the agencies information and technology
 - Ongoing
- Coordinate with departments to determine annual business needs, develop and gain approval of expanded level projects and operating funds to implement approved projects
 - Ongoing
- Implement Shared Use Mobility tools with Microtransit partners
 - Ongoing; Implemented On-Demand Service in Denton and Lewisville using MaaS software partners

MAXIMIZE THE EFFECTIVENESS OF SERVICE FOR DCTA'S RIDERSHIP MARKETS**OBJECTIVE:****PROVIDE ACCESS TO MAJOR CENTERS OF DEMAND FROM ALL PARTS OF THE DCTA SERVICE AREAS**

- Evaluate 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
 - Achieved; Reviewed existing services and made service changes in January 2019 and August 2019 to enhance service.

COORDINATE REGIONAL SERVICES WITH OTHER REGIONAL TRANSPORTATION PROVIDERS**OBJECTIVE:****CO-AUTHOR GRANT APPLICATIONS WITH REGIONAL AGENCIES AND PLANNING ENTITIES**

- Pursue joint funding for positive train control
 - Ongoing; Pre-award status for Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity
 - Ongoing

OBJECTIVE:**PURSUO OPPORTUNITIES FOR COORDINATED PROCUREMENT, JOINT OPERATIONS, OR SHARED FUNDING THAT ENHANCE REGIONAL SERVICES**

- Participate in regional commuter rail & bus initiatives that support regional mobility and growth
 - Ongoing; Jointly operate the North Texas Xpress with Trinity Metro.
- Review opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures
 - Ongoing

GENERAL AND ADMINISTRATIVE DIVISION BUDGETS

TIE THE PROVISION OF TRANSIT TO LAND-USE AND THE RESULTING DEMAND LEVELS**OBJECTIVE:**

EXISTING SERVICES THAT FAIL TO ACHIEVE ESTABLISHED PERFORMANCE STANDARDS SHOULD BE CONSIDERED FOR REMEDIAL ACTION

- Review service performance monthly and conduct bi-annual assessments to provide recommended enhancements
 - Ongoing

OBJECTIVE:

EXISTING SERVICES THAT SIGNIFICANTLY EXCEED STANDARDS SHOULD BE AUGMENTED

- Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level
 - Ongoing

ADVOCATE SUSTAINABLE DEVELOPMENT PRACTICES THAT SUPPORT TRANSIT**OBJECTIVE:**

EFFECTIVELY AND EFFICIENTLY PLAN AND IMPLEMENT CAPITAL PROGRAMS THAT SUPPORT TRANSIT ORIENTED SERVICES AND OPERATIONAL BUSINESS NEEDS

- Continue the development of positive relationships with member city staffs in order to promote transit supportive development
 - Ongoing
- Identify, plan, and execute capital work programs that support bus, paratransit, rail, hike and bike trails and other innovative services programs
 - Ongoing
- 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
 - Ongoing
- Work with planning and finance to explore transit service expansion and transit oriented development opportunities
 - Ongoing

MAINTAIN FISCALLY SOUND AND SUSTAINABLE FINANCIAL PLANS AND BUDGETS THAT REFLECT COMMUNITY PRIORITIES AND VALUES**OBJECTIVE:**

PROVIDE ACCURATE AND RELIABLE REVENUE AND EXPENDITURE FORECASTS AND MAINTAIN BUDGET PRACTICES THAT ENSURE SUSTAINABILITY AND CONTINUITY OF PROGRAMS AND SERVICES

- Manage bus & rail operations and maintenance activities within budget and work with finance to ensure consistent cash flow demand
 - Achieved; FY19 rail and bus expenses did not exceed budget; FY20 budget reduction/cost savings implemented

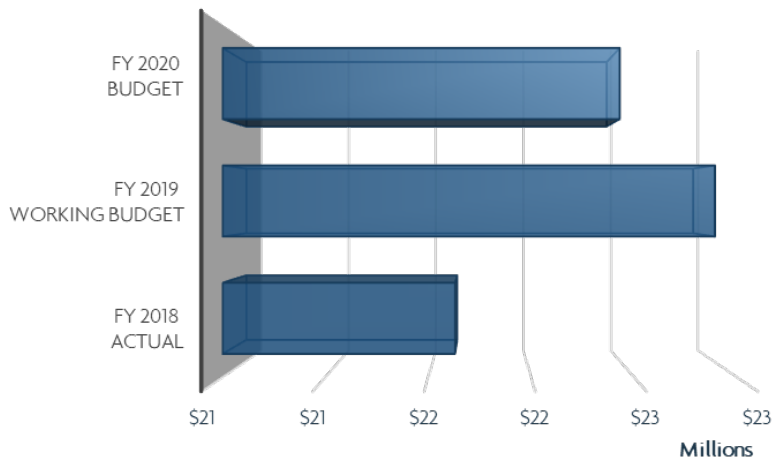
RAIL SERVICES DIVISION BUDGETS

RAIL SERVICES

The Rail Services department provides management and operations efforts of the regional rail component, the A-train. Primary activities undertaken by this section of DCTA include internal and external agency coordination, transit oriented development, route planning, rail operations, rail maintenance, and safety/security. In October 2016, DCTA entered into a contract with First Transit for operations and maintenance of the A-train system. This contract supports the train operations and includes service hours, fuel, maintenance, etc. and is accounted for under Purchased Transportation Services category. Additionally, DCTA and DART entered into an interlocal shared services agreement for ticket vending machine maintenance and train platform maintenance.

RAIL SERVICES						
		FY 2018		FY 2019		FY 2020
		Actual		Working Budget		Budget
EXPENSES						
Salary, Wages & Benefits	\$	412,516	\$	491,796	\$	513,376
Services		2,084,171		923,574		276,112
Materials & Supplies		619,438		818,667		976,500
Utilities		273,964		300,563		315,568
Insurance & Casualties		1,238,455		1,334,003		1,400,704
Purchased Transportation		8,708,217		9,840,263		10,068,545
Miscellaneous		30,411		16,628		19,652
Leases & Rentals		2,207		4,512		2,400
Depreciation		8,261,047		9,163,244		8,857,983
TOTAL DEPARTMENT BUDGET		\$ 21,630,426	\$	22,893,250	\$	22,430,840
STAFFING						
Rail Development Department						
AVP, Rail Operations & Maintenance		1.00		1.00		1.00
Senior Manager of Rail Operations		1.00		1.00		1.00
Project Controls Coordinator		1.00		1.00		1.00
Director of Railway Systems		1.00		1.00		1.00
TOTAL		4.00		4.00		4.00

RAIL SERVICES DIVISION BUDGETS

**MATERIAL BUDGET ITEMS:**

- Purchased Transportation for FY20 is based on current contract rates with First Transit and includes operating expenses related to Positive Train Control of \$100k
- Fuel budgeted at \$2.75 per gallon in FY20 @ 350,000 gallons

FY20 OBJECTIVES & PERFORMANCE MEASURES – RAIL OPERATIONS**LOOKING AHEAD****FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES****OBJECTIVE:****EVALUATE AND IMPLEMENT SERVICE CHANGES**

- Review service performance monthly and conduct bi-annual assessments to provide service recommendations

OBJECTIVE:**EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS**

- Assist in the identification, development, and implementation of alternative fare payment solutions

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH**OBJECTIVE:****LEVERAGE EXISTING A-TRAIN ASSETS**

- Participate in regional commuter rail and bus initiatives that support regional mobility and growth

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY**OBJECTIVE:****RECEIVE FEDERAL RAILROAD ADMINISTRATION POSITIVE TRAIN CONTROL CERTIFICATION AND APPROVAL OF POSITIVE TRAIN CONTROL SAFETY PLAN**

- Submit quarterly FRA reports in a timely manner
- Execute FRA Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant
- Implement speed enhancements as identified in the track study completed in FY2019
- Submit and receive approval of DCTA's positive train control safety plan
- Receive FRA ptc certification to go live no later than December 2020

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****GATHER STAKEHOLDER PRIORITY INITIATIVES AND INCORPORATE INTO THE AGENCY'S VISION AND STRATEGY**

- Minimize non-revenue hours systemwide, measured as the number of revenue hours to service hours (+85%)

BUS SERVICES DIVISION BUDGETS

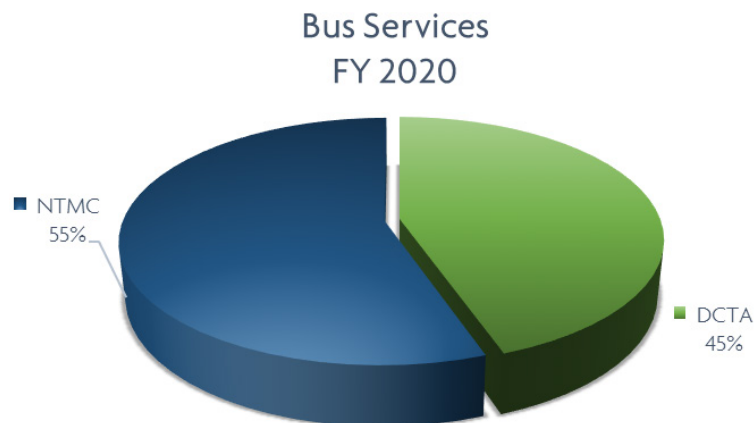
BUS SERVICES

In February 2019 the DCTA Board of Directors approved the North Texas Mobility Corporation Certificate of Formation and associated Bylaws. As a fully functional Limited Government Corporation (LGC), the NTMC now operates with a Board of Directors, appointed by the DCTA Board of Directors, and Board officers. It also has its own budget and contracting authority.

DCTA has entered into an Interlocal Agreement (ILA) with the NTMC to provide complete mobility services and management of ongoing operations, including fixed-route, demand-response, ADA/paratransit, fare collection and enforcement services, maintenance, service operation, and DCTA's customer service/call center. The purpose of creating NTMC was to elevate overall performance and enhance customer service. By creating a subsidiary, DCTA has greater ability to monitor and hold accountable the bus operations contractor, ultimately ensuring passengers have the best possible experience using the transit system.

In addition to the Interlocal Agreement for service provision, NTMC has contracted with DCTA to provide administrative support services including information technology and help desk services, internal and external marketing and communications, transit planning, data analytics, contracts and procurements, accounts payable/accounts receivable, accounting, budget preparation, legal services, and oversight of payroll processing.

- NTMC budget includes the expenses related to bus operations staff employed by NTMC and includes the following components:
 - Salary, wages & benefits
 - Hiring expenses – background checks, drug screening, advertising, etc.
 - Payroll processing fees
 - Workers compensation insurance
- DCTA budget includes all other bus operations expenses:
 - Bus Operations Management
 - Salaries & benefits for DCTA employees
 - Passenger fares
 - Contract revenue
 - Services
 - Materials and supplies
 - Auto liability insurance
 - Purchased transportation contracts
 - Depreciation



BUS SERVICES DIVISION BUDGETS

	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
DCTA EXPENSES			
Salary, Wages & Benefits	\$ 7,399,220	\$ 5,818,370	\$ 690,888
Services	852,882	1,262,519	1,149,984
Materials & Supplies	1,772,574	2,210,278	2,217,559
Utilities	143,093	173,760	175,620
Insurance & Casualties	456,058	421,214	338,305
Purchased Transportation	161,679	343,118	632,161
Miscellaneous	31,244	166,911	95,420
Leases & Rentals	99,802	99,981	101,733
Depreciation	1,911,772	1,598,170	1,654,533
TOTAL DCTA BUS SERVICES BUDGET	\$ 12,828,324	\$ 12,094,321	\$ 7,056,203

DCTA STAFFING

Director of Bus Operations and Maintenance	-	-	1.00
Manager of Mobility Services	-	-	1.00
Manager of Bus Administration	-	-	1.00
Operations Analyst	-	-	2.00
Service Planner	-	-	1.00
Mobility as a Service Coordinator	-	-	1.00
Bus Operations Buyer	-	-	1.00
Intern	-	-	0.50
TOTAL	-	-	8.50

	FY 2018 Actual	FY 2019 Working Budget	FY 2020 Budget
NTMC EXPENSES			
Salary, Wages & Benefits	\$ -	\$ 2,674,142	\$ 8,460,824
Services	-	29,154	95,040
Materials & Supplies	-	-	-
Utilities	-	-	-
Insurance & Casualties	-	40,408	132,636
Purchased Transportation	-	-	-
Miscellaneous	-	74,147	93,200
Leases & Rentals	-	-	-
Depreciation	-	-	-
TOTAL NTMC BUS SERVICES BUDGET	\$ -	\$ 2,817,851	\$ 8,781,700

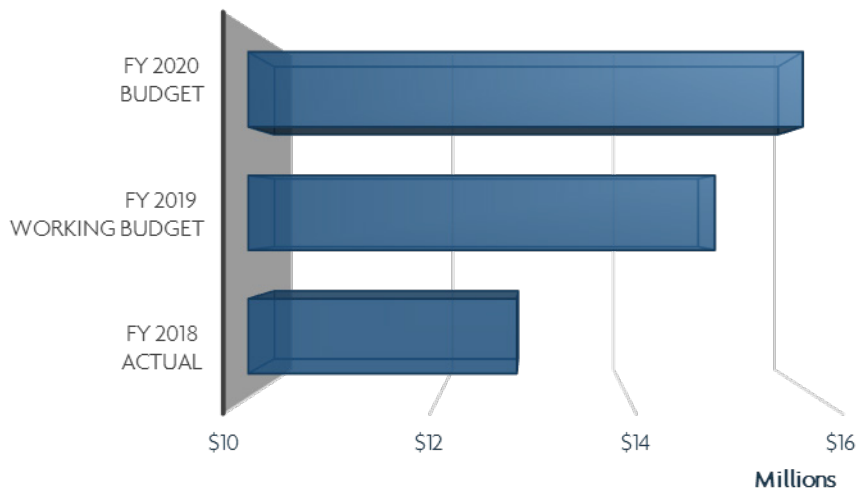
**NTMC FY19 Working Budget only includes June-Sept*

NTMC STAFFING

Contracted Bus Services (TMDC/NTMC)			
Bus Administration Department	5.00	5.00	7.00
Customer Service Department	10.00	10.00	10.00
Supervisors/Dispatchers Department	15.00	15.50	12.00
Maintenance Department	18.00	18.00	18.00
Bus Operators**	107.00	94.00	94.00
TOTAL	155.00	142.50	141.00

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

BUS SERVICES DIVISION BUDGETS

**MATERIAL BUDGET ITEMS:**

- Fuel budgeted at \$3.00 per gallon in FY20 @ 405,000 gallons
- Bus operator wage average \$18.34 based on CBA with the Union
- Includes 4% merit pay for non-operators
- Assumes a 10% increase in health benefits
- Scheduled engine overhauls are budgeted at \$179,800

FY20 OBJECTIVES & PERFORMANCE MEASURES – BUS OPERATIONS**LOOKING AHEAD****FOCUS ON BEST VALUE SERVICE STRATEGY AND BROKER OF SERVICES****OBJECTIVE:****EVALUATE AND IMPLEMENT SERVICE CHANGES**

- Review service performance monthly and conduct bi-annual assessments to provide service recommendations

OBJECTIVE:**IMPLEMENT MOBILITY AS A SERVICE STRATEGIES IN THE AREAS WE SERVE**

- Evaluate existing route structure to identify areas to improve existing service, provide greater efficiencies, and recommend opportunities to implement mobility as a service projects
- Implement mobility as a service projects in consultation with member cities, partners, and qualified vendors
- Leverage maas technology provider solutions to enhance the customer experience, reduce operating expenses and improve mobility

OBJECTIVE:**EVALUATE ALTERNATIVE FARE PAYMENT SOLUTIONS**

- Assist in the identification, development, and implementation of alternative fare payment solutions

FOCUS ON LOCAL AND REGIONAL TRANSIT SYSTEM GROWTH**OBJECTIVE:****LEVERAGE EXISTING A-TRAIN ASSETS**

- Participate in regional commuter rail and bus initiatives that support regional mobility and growth

ASSESS EVERYTHING WE DO WITH INNOVATION AND SAFETY**OBJECTIVE:****LEVERAGE AVAILABLE INDUSTRY TECHNOLOGY TO ENHANCE THE CUSTOMER SERVICE AND DATA COLLECTION PROCESSES**

- Develop and initiate implementation of a comprehensive safety and security program
- Research, identify, and develop an action plan to automate existing data collection processes

BUS SERVICES DIVISION BUDGETS**OBJECTIVE:****EVALUATE FIXED-ROUTE SERVICES FOR TRANSITION TO ON-DEMAND ZONE SERVICES**

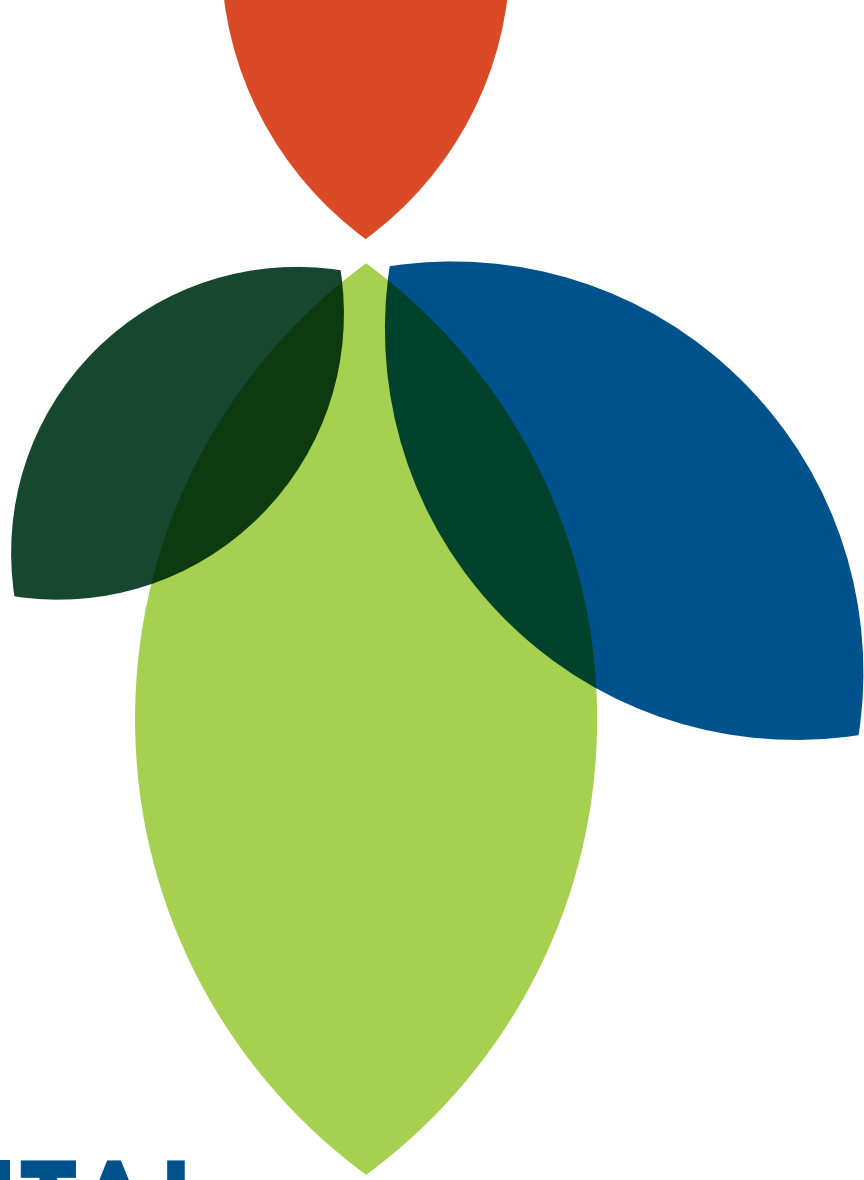
- Evaluate the existing route structure to identify areas to improve existing services, provide greater efficiencies, and recommend opportunities to transition fixed-route services to on-demand zone services

IMPROVE EFFICIENCIES AND MAXIMIZE RETURN ON INVESTMENT**OBJECTIVE:****GATHER STAKEHOLDER PRIORITY INITIATIVES AND INCORPORATE INTO THE AGENCY'S VISION AND STRATEGY**

- Minimize non-revenue hours systemwide, measured as the number of revenue hours to service hours (+85%)

OBJECTIVE:**DEVELOP CAPITAL PLANS AND FUNDING STRATEGIES FOR CRITICAL INFRASTRUCTURE REPLACEMENT, MAINTENANCE AND SERVICE ENHANCEMENTS**

- Maintain appropriate level of revenue, contingency, and spare vehicles to meet service needs
- Ensure timely vehicle procurements consistent with all operating and funding requirements



CAPITAL IMPROVEMENT PLAN

CAPITAL 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.

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 ongoing operating costs that will be incurred.

A capital project is funded for one of the following purposes: land acquisition, new construction of buildings, remodeling of and/or additions to buildings, major equipment purchases or refurbishment, other infrastructure or technology needs, service improvements, or major studies. The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of five years or longer. A capital project may also be established for large-scale operating expenses that we expect to span multiple years, and these are expensed upon completion.

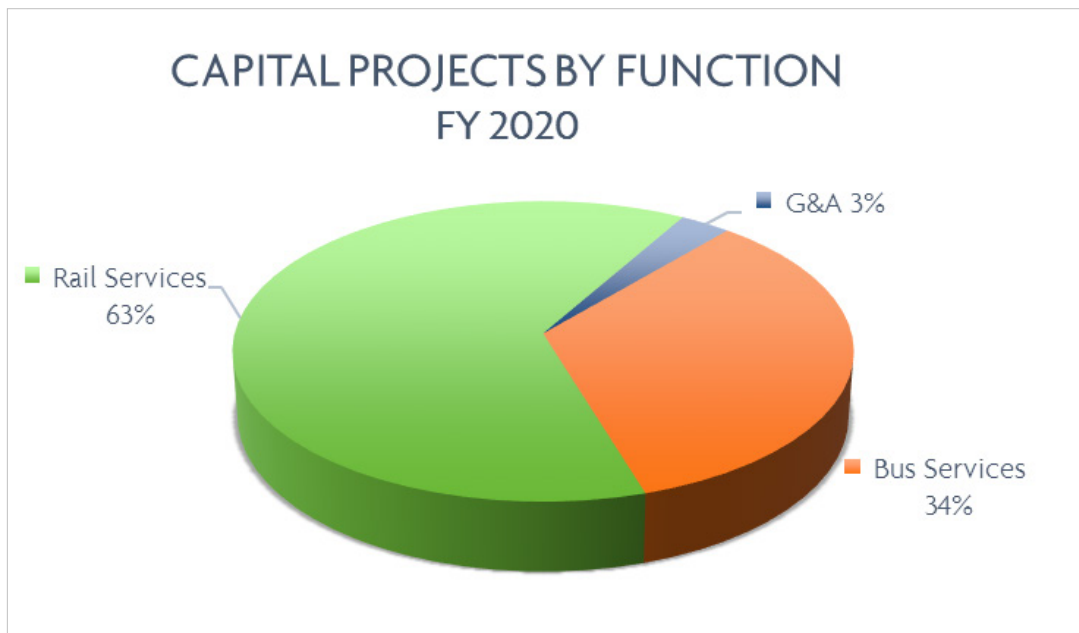
The current year of the CIP is adopted with the approval of the FY 2020 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and require specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY20 is \$10.3 million, and includes bus, rail and general administrative related projects. These projects are outlined in greater detail on subsequent pages in this section.

CAPITAL IMPROVEMENT PLAN SUMMARY

Project Name	Project Number	Current Project Budget	Project LTD thru FY 2018	Working FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Project Total (Thru 2025)
BUS CAPITAL EXPENDITURE											
IOMF Fuel Tanks - Lewisville	50305	\$ 1,037,000	\$ 478,177	\$ 558,823	-	-	-	-	-	-	\$ 1,037,000
BUS FLEET REPLACEMENT											
Fleet (2018)	50512	1,360,932	-	1,360,932	-	-	-	-	-	-	1,360,932
Fleet (2019)	50513	1,481,000	-	-	1,481,000	-	-	-	-	-	1,481,000
Fleet (2020)	50514	1,062,600	-	-	1,062,600	-	-	-	-	-	1,062,600
Future Fleet Replacement		-	-	-	-	3,761,183	1,606,067	2,358,069	2,974,896	3,098,071	13,798,286
PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS											
Stadler Diagnostic Laptops	61409	80,000	-	-	80,000	-	-	-	-	80,000	160,000
Train-the-Trainer Program	50601	250,000	28,125	-	221,875	-	-	-	-	-	250,000
Integrated Fare Payment	50411	600,000	-	-	600,000	-	-	-	-	-	600,000
Service Planning Professional Services	10606	123,428	-	63,921	59,507	-	-	-	-	-	123,428
Server & Network Infrastructure	10403	350,000	-	306,910	43,090	-	-	-	350,000	-	700,000
Project Mgmt./Document Control	10605	25,138	-	25,138	-	-	-	-	-	-	25,138
TRANSIT SAFETY IMPROVEMENTS											
Trail Safety Improvements	61715	181,157	5,600	51,400	124,157	-	-	-	-	-	181,157
Rail Safety Improvements	61718 (FY19) 61721 (FY20)	400,000 200,000	67,678	186,049	200,000	200,000	200,000	200,000	200,000	200,000	1,453,727
Safety & Security Assessment	10604	25,000	25,000	-	-	-	-	-	-	-	25,000
HIKE & BIKE TRAILS											
Lewisville Bike Trail - Eagle Point	61716	2,995,873	83,204	1,989,242	923,427	-	-	-	-	-	2,995,873
MAJOR MAINTENANCE ITEMS											
Major Maintenance Items - Rail	61719 (FY19) 61720 (FY20)	1,929,468 2,024,826	-	1,929,468	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,704,328	12,744,376
Major Maintenance Items - Bus	50306	125,000	-	-	125,000	-	179,530	238,264	273,851	200,000	1,016,645
POSITIVE TRAIN CONTROL											
Positive Train Control Implementation	61406.1	16,720,141	13,953,896	1,483,887	1,282,358	-	-	-	-	-	16,720,141
Positive Train Control Enhancements (Phase 2)	61406.2	5,000,000	-	150,000	1,780,555	3,069,445	-	-	-	-	5,000,000
INFRASTRUCTURE ACQUISITION											
	10302	400,000	173,395	24,037	202,568	-	-	-	-	-	400,000
BROWNFIELD REMEDIATION											
	61605	385,000	139,720	174,070	71,210	-	-	-	-	-	385,000
TOTAL CAPITAL BUDGET											
		\$ 36,756,563	\$ 14,954,795	\$ 8,303,877	\$ 10,282,173	\$ 9,155,321	\$ 4,048,132	\$ 4,595,240	\$ 4,898,366	\$ 5,282,399	\$ 61,520,304

Sources of Funding (FY20)

Federal/State Grants	\$ 5,753,410
DCTA Funding	4,528,763
TOTAL	\$ 10,282,173



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Fleet 2019

Project Number: 50513

Statement of Need/Description

The fleet replacement scheduled for FY19 includes the replacement of 12 small vehicles that will be used to meet service requirements. The agency anticipates purchasing these vehicles through the State of Oklahoma contract once it has been renewed. Anticipated completion date in 2020.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants \$ 1,361,341
2019-20	\$ 1,481,000	See Project Notes	\$ -	Operating Funds \$ 119,659
Total	\$ 1,481,000	\$ -	\$ -	Total Funding \$ 1,481,000

Change from Previous CIP

Project Notes

No Change

X

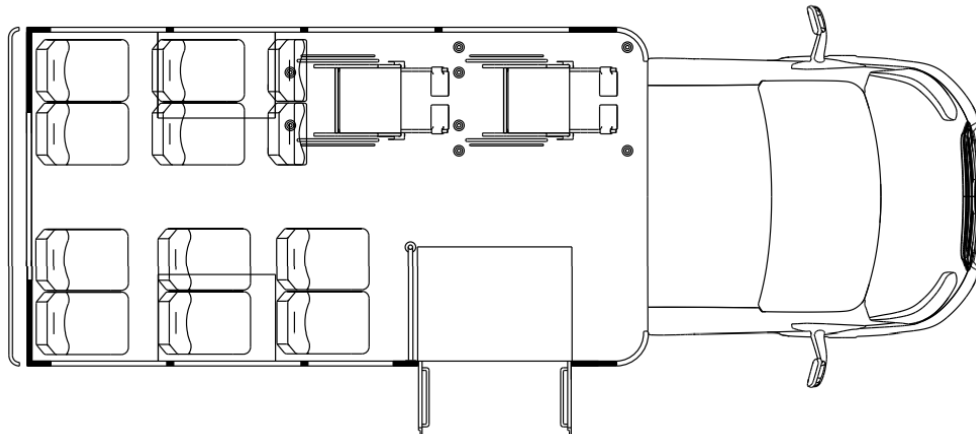
Coordinating Department: Transit Operations

Increase in Amount

Decrease in Amount

New Project

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 long range financial plan in future periods under service and materials category.

178" WB - 12 Passenger, 2 WC

CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Fleet 2020

Project Number: 50514

Statement of Need/Description

Each year, Bus Operations staff reviews the current levels of service, identifies fleet requirements, reviews existing fleet, and updates the Fleet Replacement Plan. In FY 2020, DCTA will need to purchase eight (8) small low-floor revenue vehicles and three (3) non-revenue vehicles, to replace existing vehicles that have exceeded their useful life in age and/or mileage. The additional buses will be grant funded.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY18	\$ -	\$ -	\$ -	State Grants	\$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants	\$ 1,041,348
2019-20	\$ 1,062,600	See Project Notes	\$ -	Operating Funds	\$ 21,252
Total	\$ 1,062,600	\$ -	\$ -	Total Funding	\$ 1,062,600

Change from Previous CIP

No Change

Increase in Amount

Decrease in Amount

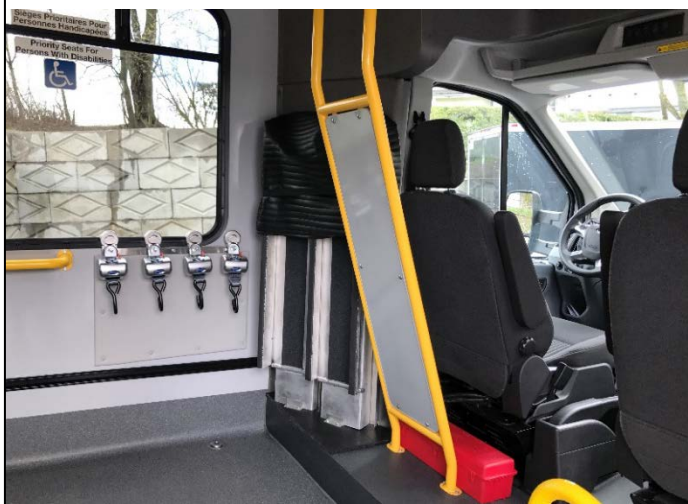
New Project

X

Project Notes

Coordinating Department: Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process. The associated operating costs related to these revenue and non-revenue replacement vehicles will be minimal and include fuel and standard maintenance. These expenses are included in the long range financial plan in future periods under service and materials category.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Stadler Diagnostic Laptops

Project Number: 61409

Statement of Need/Description

In order to run and maintain the Stadler trains in revenue service, DCTA must replace two laptops configured by Stadler. Two ruggedized laptops were originally purchased with the Stadler fleet and are now obsolete. These laptops are running the Windows XP operating system, which poses a cybersecurity risk since this operating system is no longer maintained, patched, or supported by Microsoft. Failure of these laptops would result in a delay in maintaining our Stadler vehicles.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 80,000	See Project Notes	\$ -	Operating Funds \$ 80,000
Total	\$ 80,000	\$ -	\$ -	Total Funding \$ 80,000

Change from Previous CIP

No Change

Increase in Amount

Decrease in Amount

New Project

X

Project Notes

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 at this time.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Train-the-Trainer Program

Project Number: 50601

Statement of Need/Description

DCTA received a New Freedom Grant from the North Central Texas Council of Governments (NCTCOG) that will allow DCTA to develop and implement a Train-the-Trainer program to work directly with Social Service Agencies and develop a comprehensive curriculum to provide their staff and caseworkers with the necessary training and tools to assist their clients in improving their mobility by utilizing DCTA's system. This project will be funded initially by New Freedom funding of \$240k. Once grant funds are expended, the agency will have to identify a new funding source to support the program.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ 28,125	\$ -	\$ -	State Grants \$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants \$ 221,875
2019-20	\$ 221,875	See Project Notes	\$ -	Operating Funds \$ -
Total	\$ 250,000	\$ -	\$ -	Total Funding \$ 221,875

Change from Previous CIP

Project Notes

No Change

Increase in Amount

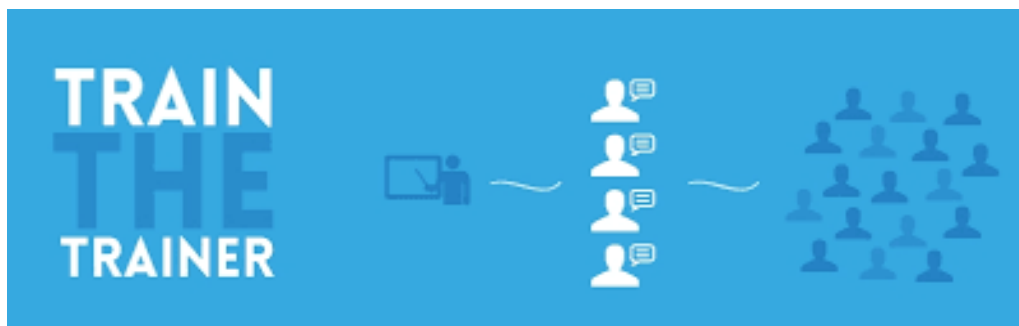
Decrease in Amount

New Project

X

Coordinating Department: Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process. The initial expense will be to hire staff and/or consultants to assist in the development of this program. Initially these expenses will be covered by the New Freedom grant. Any future operating expenses to sustain the program will be captured in the operating budget and long range financial plan.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Integrated Fare Payment

Project Number: 50411

Statement of Need/Description

Current fare boxes hold coin and currency fares which must be manually counted in-house and transported to the bank via courier. Ridership is tracked manually. These fare boxes require exact change, as they cannot issue change to a passenger. This project will include supplementing the current farebox system with a reloadable card system on all vehicles in DCTA's fleet to better track ridership trends, reduce in-house cash collections, and improve boarding speed for passengers.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 600,000	See Project Notes	\$ -	Operating Funds \$ 600,000
Total	\$ 600,000	\$ -	\$ -	Total Funding \$ 600,000

Change from Previous CIP

Project Notes

No Change

X

Increase in Amount

Decrease in Amount

New Project

Coordinating Department: Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process. Upon completion of the procurement process, all associated operating expenses will be identified and included in our long range financial plan.

This project benefits DCTA by reducing risk and cost by lowering the amount of cash collected on DCTA buses, as customers will be able to purchase pre-paid transit fares online via credit card or bank transfer and at retail locations throughout DCTA's service area. Utilizing this technology will also provide DCTA more accurate ridership data and information about system usage. Benefits to the customer include the ability to seamlessly travel regionally between DCTA and DART using one fare.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Service Planning Professional Services

Project Number: 10606

Statement of Need/Description

In order to develop the best comprehensive approach for implementing non-traditional transit services, DCTA conducted a Shared Use Mobility Study. This study provided recommendations for serving the low density areas with various modes of non-traditional transit services. Staff has since implemented the Denton Enterprise Airport Zone and Lewisville Lakeway Zone. Given the extended scope, associated complexity and expedited timeline for implementation, consultant services will be used to assist in facilitating anticipated Mobility As A Service (MaaS) service changes.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ 63,921	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 59,507	See Project Notes	\$ -	Operating Funds \$ 123,428
Total	\$ 123,428	\$ -	\$ -	Total Funding \$ 123,428

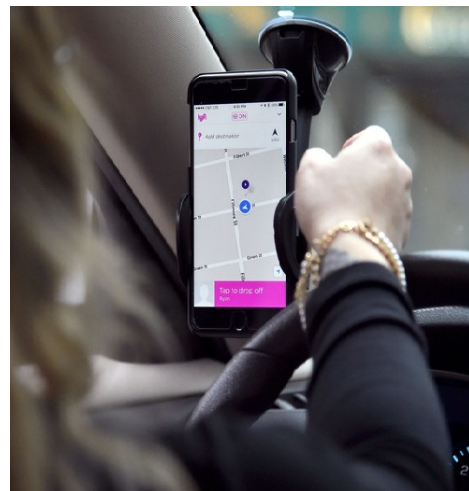
Change from Previous CIP

Project Notes

No Change **X**
 Increase in Amount
 Decrease in Amount
 New Project

Coordinating Department: Transit Operations

The agency will incorporate any new projects into the agency's regular service change process, which will involve discussions of budget impact and necessary budget revisions will be addressed at that time.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Server & Network Infrastructure**Project Number: 10403****Statement of Need/Description**

Replacement of server and storage infrastructure fell under standard planned five-year replacement cycle of servers and storage. This lifecycle was chosen based on vendor support cycle for hardware. Lifecycle of one facility was extended to match another primary datacenter to procure an identical redundant failover site configuration. Each datacenter serves a specific subset of DCTA/NTMC users but is capable of running the entire operation as a business continuity measure. Information Technology staff worked closely with Dell to procure a responsible solution to fit our current needs and support DCTA's operations for several years with the option to expand as needed. Network switching and routing hardware and accompanying consulting services to implement upgrades were requested to support a maturing DCTA network that would allow automatic failover to secondary connections in case of primary connection failure. The hardware has been purchased, and remaining funds in this project will cover consulting services to implement and test this solution.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ 306,910	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 43,090	\$ -	\$ -	Operating Funds \$ 350,000
Total	\$ 350,000	\$ -	\$ -	Total Funding \$ 350,000

Change from Previous CIP**Project Notes**

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Coordinating Department: Information Technology
 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 in FY20. This project will replace existing servers and the contract will involve warranties and service plans for future years.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Trail Safety Improvements

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 fencing, the addition of Z crossings at rail/trail grade crossings and the addition of standardized signage and pavement markings along the trail.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY18	\$ 5,600	\$ -	\$ -	State Grants	\$ -
2018-19	\$ 51,400	\$ -	\$ -	Federal Grants	\$ -
2019-20	\$ 124,157	See Project Notes	\$ -	Operating Funds	\$ 181,157
Total	\$ 181,157	\$ -	\$ -	Total Funding	\$ 181,157

Change from Previous CIP

Project Notes

No Change X

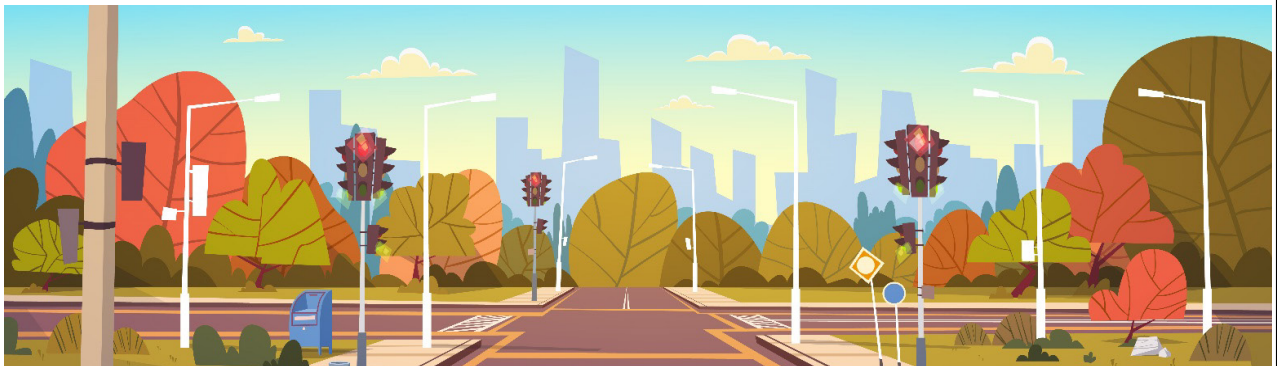
Increase in Amount

Decrease in Amount

New Project

Coordinating Department: Planning / Transit Operations

The agency reviews each capital project for associated operating impacts during the budget process and have concluded that there will be no operating cost impact from this capital project. Interlocal Agreements are in the process of being established with each city in which the trail is located for each city to take over maintenance of the trail.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Rail Safety Improvements

Project Number: 61721

Statement of Need/Description

The A-train corridor spans 21 miles, 7 municipalities, and 43 public and 2 private crossings. As part of DCTA's ongoing safety initiative, the Rail Operations department monitors incident reports and looks for safety improvements. Areas under consideration for FY20 are trespasser prevention and shunting/signals mediation.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY18	\$ -	\$ -	\$ -	State Grants	\$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants	\$ -
2019-20	\$ 200,000	See Project Notes	\$ -	Operating Funds	\$ 200,000
Total	\$ 200,000	\$ -	\$ -	Total Funding	\$ 200,000

Change from Previous CIP

No Change

Increase in Amount

Decrease in Amount

New Project

X

Project Notes

Coordinating Department: Transit Operations

Staff will identify equipment and/or right of way improvements that will enhance safety on the rail corridor.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Lewisville Bike Trail - Eagle Point

Project Number: 61716

Statement of Need/Description

This project will complete the Hike and Bike Trail by completing the gap between Mill Street and the Highland Village Station. This section begins at Mill Street and Jones and will follow the rail right of way to a point just south of the Highland Village/Lake Lewisville Station, where it will meander through the DCTA right of way. Engineering fees for this project are included in project 61708. Construction is expected to be complete by January 2020.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY18	\$ 83,204	\$ -	\$ -	State Grants	\$ 2,084,085
2018-19	\$ 1,989,242	\$ -	\$ -	Federal Grants	\$ -
2019-20	\$ 923,427	\$ -	\$ -	Operating Funds	\$ 911,788
Total	\$ 2,995,873	\$ -	\$ -	Total Funding	\$ 2,995,873

Change from Previous CIP

Project Notes

No Change

X

Increase in Amount

Decrease in Amount

New Project

Coordinating Department: Transit Operations

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 Lewisville will take over responsibility for the trail.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Major Maintenance - Rail (2020)

Project Number: 61720

Statement of Need/Description

The Major Maintenance-Rail project is an annual allocation for the maintenance of the rail facility and vehicles. DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for all of DCTA's assets - facilities, vehicles, amenities, etc. Please refer to Project Notes section for a detailed breakout of current capital maintenance needs planned for FY2020.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	State Grants \$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 2,024,826	See Project Notes	\$ -	Operating Funds \$ 2,024,826
Total	\$ 2,024,826	\$ -	\$ -	Total Funding \$ 2,024,826

Change from Previous CIP

No Change

Increase in Amount

Decrease in Amount

New Project

X

Project Notes

Coordinating Department: Transit Operations

*FY20 Stadler Rail Vehicle Replacement Parts: \$1,108,539

*FY20 Road Crossing Refurbishments: \$442,072

*FY20 Rail Facility Scheduled Maintenance: \$39,532

*FY20 Rail Station Canopy Repairs: \$434,683

Accounting will review expenses quarterly for the Major Maintenance projects, and if deemed operating, the related transactions will be expensed at that point.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Major Maintenance - Bus (2020)

Project Number: 50306

Statement of Need/Description

The Major Maintenance-Bus project is an annual allocation for the maintenance of the bus facilities and amenities. DCTA worked with a consultant in FY19 to create a long-term Facilities & Maintenance Plan. This plan outlines all major maintenance for all of DCTA's assets - facilities, vehicles, amenities, etc. The vehicular bridge at the bus operations and maintenance facility is experiencing settling of the north bridge approach and a pot hole has been created due to the constant accumulation of water. This project will allow the bridge to be repaired and eliminate further damage.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
Thru FY18	\$ -	\$ -	\$ -	State Grants	\$ -
2018-19	\$ -	\$ -	\$ -	Federal Grants	\$ -
2019-20	\$ 125,000	See Project Notes	\$ -	Operating Funds	\$ 125,000
Total	\$ 125,000	\$ -	\$ -	Total Funding	\$ 125,000

Change from Previous CIP

Project Notes

No Change

Increase in Amount

Decrease in Amount

New Project

X

Coordinating Department: Transit Operations

Accounting will review expenses quarterly for the Major Maintenance projects, and if deemed operating, the related transactions will be expensed at that point.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Positive Train Control (PTC) Implementation

Project Number: 61406.1

Statement of Need/Description

The 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 currently in Revenue Service Demonstration. This project will be complete by the end of 2020.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
				Debt Issuance \$ 3,344,028
Thru FY18	\$ 13,953,896	\$ -	\$ -	State Grants \$ 12,500,000
2018-19	\$ 1,483,887	\$ -	\$ -	Federal Grants \$ 876,113
2019-20	\$ 1,282,358	\$ 100,000	\$ -	Operating Funds \$ -
Total	\$ 16,720,141	\$ 100,000	\$ -	Total Funding \$ 16,720,141

Change from Previous CIP

Project Notes

No Change X
 Increase in Amount
 Decrease in Amount
 New Project

Coordinating Department: Transit Operations

The agency has awarded this project to Alstom to implement E-ATC Rail Safety Enhancements. Annual operating costs are assumed at \$100k beginning in FY20.



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Positive Train Control (PTC) Enhancements (Phase 2)**Project Number: 61406.2****Statement of Need/Description**

Positive Train Control (PTC) makes the rail system safer but inherently induces delays. The current schedule takes 32 minutes for an end to end run and will increase to 44 minutes with E-ATC in effect. The PTC Enhancement project would involve raising the existing track speeds and subsequently programming the signal system to accommodate the increased track speeds. Additional costs will be incurred to plan and execute the new phase of PTC. This project will be funded at 80% by the Consolidated Rail Infrastructure and Safety Improvements (CRISI) funding the agency was awarded in 2019.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ -	\$ -	\$ -	Debt Issuance \$ -
2018-19	\$ 150,000	\$ -	\$ -	State Grants \$ -
2019-20	\$ 1,780,555	\$ -	\$ -	Federal Grants \$ 4,000,000
2020-21	\$ 3,069,445	\$ -	\$ -	Operating Funds \$ 1,000,000
Total	\$ 5,000,000	\$ -	\$ -	Total Funding \$ 5,000,000

Change from Previous CIP**Project Notes**

No Change

Increase in Amount

Decrease in Amount

New Project

X

Coordinating Department: Transit Operations

Annual operating costs associated with Positive Train Control are assumed at \$100k for FY20 and are reflected in the Positive Train Control Implementation project (61406.1).



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 corridor improvements.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ 173,395	\$ -	\$ -	State Grants \$ -
2018-19	\$ 24,037	\$ -	\$ -	Federal Grants \$ -
2019-20	\$ 202,568	See Project Notes	\$ -	Operating Funds \$ 400,000
Total	\$ 400,000	\$ -	\$ -	Total Funding \$ 400,000

Change from Previous CIP**Project Notes**

No Change

Increase in Amount

Decrease in Amount

X

New Project

Coordinating Department: Strategic Planning & Development

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



CAPITAL IMPROVEMENT PLAN - PROJECT DETAIL

Project Name: Brownfield Remediation

Project Number: 61605

Statement of Need/Description

The Rail Operations and Maintenance Facility was built on the site of an abandoned/illegal dump. There are identified items (tires, barrels, etc.) that need to be removed and disposed of properly. This project will remove the above ground items and identify subsurface conditions for any remediation requirements. DCTA was awarded an EPA grant in 2017 that will be used to conduct Phase II Environmental Site Assessment, which includes the testing for petroleum and hazardous materials. The target area is a total of 77.5 acres.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding
Thru FY18	\$ 139,720	\$ -	\$ -	State Grants \$ -
2018-19	\$ 174,070	\$ -	\$ -	Federal Grants \$ 178,200
2019-20	\$ 71,210	See Project Notes	\$ -	Operating Funds \$ 206,800
Total	\$ 385,000	\$ -	\$ -	Total Funding \$ 385,000

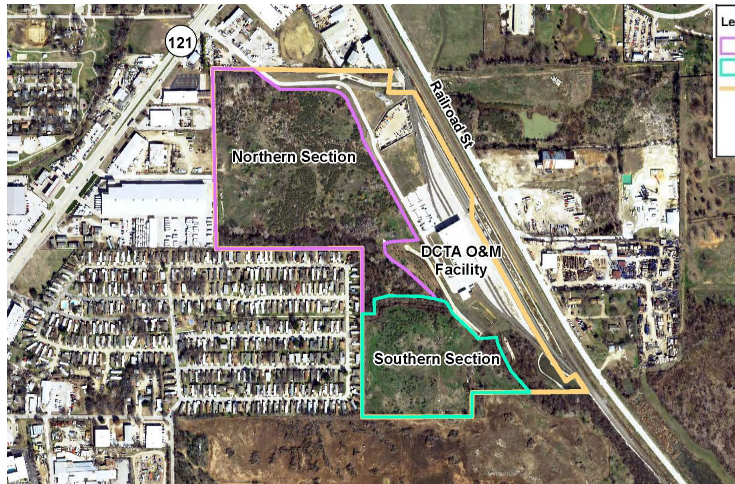
Change from Previous CIP

Project Notes

No Change **X**
 Increase in Amount
 Decrease in Amount
 New Project

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.





APPENDIX

Denton County Transportation Authority Financial Management Policies

(Adopted October 2019)

FINANCIAL MANAGEMENT POLICIES

Operating Policies

Purpose

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

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

Review

DCTA Financial Management Policies are presented to the Board of Directors for review, discussion, and approval after the start of each fiscal year but prior to the start of the next year's budget process.

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 ensure an optimum balance between demand for service and resources to provide.

FINANCIAL MANAGEMENT POLICIES

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

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

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 deemed appropriate at the time. Guidelines for transfers and contributions are as follows:

- a. All transfers for expenses from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board in the annual budget or amended budget.
- b. Capital Replacement Fund will at a minimum be an amount equivalent to twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the cost of one transit bus with a twelve (12) year useful life. (Example - FY20 Bus Fleet replacement: \$2.5 million X 20% = \$0.51 million; cost of transit bus = \$0.4 million. Minimum Capital Replacement Fund requirement: \$0.51 million + \$0.4 million = \$0.91 million).
- c. Infrastructure Maintenance – Available funds, within limitations of current long range financial plan, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

If after procedures as outlined in the adopted Budget Contingency Plan have been met, and a severe economic downturn or other emergency requires draw down of Fund Balance Reserve or Sales Tax Stabilization funds, it will be a priority to replenish fund balances. Fund balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expense reductions or through

FINANCIAL MANAGEMENT POLICIES

timeframe and plan for fund balance replenishment.

Revenue Policies

- a. To the extent possible, a diversified and stable revenue system will be maintained to shelter service delivery from short-run fluctuations in any one revenue source due to changes in economic conditions. Trends analyzing the dependence on distinct revenue sources shall be included in the budget documents for consideration by the Board.
- b. Revenue forecasts will assess the full spectrum of resources that can be allocated for service delivery. Each year the Board shall review potential sources of revenue as part of the annual budget process.
- c. Revenue forecasts shall be realistically estimated and based on the best information available. DCTA shall use a conservative, objective and analytical approach when preparing revenue estimates and follow a vigorous policy of collecting revenues. Shortfalls anticipated based on this forecast will be addressed as follows:
 - i. Short-term (anticipated less than one year) economic downturns and temporary gaps in cash flow: Expense reductions or restrictions may be imposed as outlined in the Budget Contingency Plan adopted as part of the annual budget by the Board. The Board may approve a contribution from the Sales Tax Stabilization Fund or Fund Balance Reserve Fund to address temporary downturns in revenues.
 - ii. Long-term (greater than one year) revenue downturns: Deficit financing and borrowing to support on-going operations is not the policy of DCTA. Revenue forecasts will be revised. Expenses will be reduced to conform to the revised long-term revenue forecast and fare increases will be considered.
- d. All potential grants shall be carefully examined for matching requirements. Some grants may not be accepted if the local matching funds cannot be justified. Grants may also be rejected if programs must be continued with local resources after grant funds are exhausted.
- e. DCTA shall develop and maintain fair and equitable fares for all public transportation services which it operates. A fare structure establishing a base fare, categories of prepaid fares and special fare programs shall be adopted by the Board and reviewed no less than every two years. The fare structure should be competitive and offer seamless integration for passengers within the regional transportation system.
- f. Services provided on a contract basis may be set at levels sufficient to cover the entire cost of service delivery, or the service may be subsidized, as the Board deems appropriate. DCTA will systematically review fees and consider adjustments as necessary to take into account the effects of additional service costs and inflation. Studies shall be conducted to ensure that the fees will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation of capital assets, and moderate system expansion. Based on a market analysis, fees for similar services in other communities may also be considered. The criteria used to evaluate recommended target rates (equity, cost recovery policy, market demand, etc.) shall be included in the review. Such review should be scheduled periodically and be incorporated into the budget process for possible action by the Board.
- g. DCTA will review contracts and leases which result in revenues to DCTA on a timely basis for careful consideration by the Board.

FINANCIAL MANAGEMENT POLICIES**Expense Policies**

DCTA will only propose operating expenses 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 expenses may be funded from one-time revenues, but the operating budget expense impacts of capital expenses will be reviewed for compliance with this policy provision:

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

Accounting, Auditing and Financial Reporting

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

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

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

FINANCIAL MANAGEMENT POLICIES**Budget and Operating Policies**

- a. Decisions of the Agency will be within the context of the long range financial plan and the long range service plan. Staff shall provide a review of the implications of budgetary proposals on the long range financial plan.
- b. The budget is designed to communicate DCTA's financial goals and objectives to 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. DCTA is committed to a balanced budget, where current year expenses do not exceed current year revenues and applicable/specific reserve balances.
- c. Chapter 460.403 of the Texas Transportation Code requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and the Board. A calendar of events related to budget development shall be presented to the Board each year prior to the start of the annual budget process.
- d. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the Board with monthly and/or quarterly information in a timely manner on fund level resource collections and category level expenses.
- e. Budget Revisions: The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan. The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. DCTA staff shall watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations as follows:
 - i. Operating Fund Expenses:
 1. DCTA is required to control operating costs and maintain the total expenses incurred at or below the total annual adopted Operating Expenses budget or budget as amended.
 2. The Chief Executive Officer (CEO) may authorize budget transfers between expense categories and departments, in an aggregate amount – not to exceed 5% of the total annual Operating Expenses budget without Board approval.
 3. The Board may authorize a Budget Amendment for approval of new contracts and unbudgeted expenses.
 - ii. Capital Project Fund Expenses:
 1. Expenses for capital projects must be approved with the fiscal year capital project budget; or
 2. By Board approval of any increase to a capital project budget and approval of the purchase during the fiscal year by Budget Amendment.
 - iii. All DCTA amendments and transfers will be reflected in the appropriate period for the budget year and long range financial plan.

FINANCIAL MANAGEMENT POLICIES

- i. Budget Amendment – Shall mean a net change in the total adopted fiscal year budget (operating + capital) based on the following criterion:
 - 1. A net change in the budgeted expenses, to include:
 - a. (a) addition of a new capital project; (b) increase in Capital Projects Fund annual appropriation
 - 2. A resolution approved by the DCTA Board of Directors is required to authorize an amendment as specified in Section e.
- ii. Budget Transfers – Shall mean transfer of funds between the following:
 - 1. Departments or expense line items that neither increase nor decrease the total adopted operating budget.
 - 2. If budgeted expenses associated with a capital project are deemed operating, the capital project budget will be decreased and transferred to the appropriate operating budget.
- g. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This allows DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to effectively recover and/or adjust to serious downturns.
- h. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken. A physical inventory will be conducted no less than every two (2) years.

Purchase and Disposal of Assets

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

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

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

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

FINANCIAL MANAGEMENT POLICIES

emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The officers of the Board will be notified immediately of such action. State laws relating to emergency purchases shall be followed.

Cost Allocation

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.

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

Governmental Accounting Standards Board (GASB)

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

Debt Management Policy

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

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

These will be accomplished by:

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

FINANCIAL MANAGEMENT POLICIES

negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.

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

FINANCIAL MANAGEMENT POLICIES

INVESTMENT POLICY**I. POLICY STATEMENT**

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

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

Receiving a market rate of interest will be secondary to the requirements for safety and liquidity. DCTA intends to 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. The safety of principal is best achieved by: limiting maximum maturities to two years or no further than expected project cash flow forecasts; limiting investment types to those specifically authorized by this policy; diversifying investments; and monitoring credit ratings on selected investment types.

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

Diversification

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

Yield

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

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

IV. LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

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

V. DELEGATION OF INVESTMENT AUTHORITY

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

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

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subordinate officials and staff. The Investment Officer shall designate in writing a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer and Alternate Investment Officer are not available.

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

Authorization Resolution

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

VI. PRUDENCE

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

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

Limitation of Personal Liability

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

VII. INTERNAL CONTROLS

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

Cash Flow Forecasting

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

FINANCIAL MANAGEMENT POLICIES

VIII. AUTHORIZED INVESTMENTS

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

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

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

Competitive Bidding Requirements

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

Delivery versus Payment

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

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

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

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

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

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

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

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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%
Interest Bearing Bank Savings Deposits	25%

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not:

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

XI. SAFEKEEPING AND COLLATERALIZATION

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

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

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

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

To provide a level of additional security for all funds and to also anticipate any market changes, the collateralization level required will be 105% of the market value of the principal and accrued interest. Collateral will be held by an independent third party safekeeping agent.

XII. PERFORMANCE EVALUATION AND REPORTING

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) 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.

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The DCTA Investment Officer(s) shall attend at least one investment training session consisting of no less than 10 hours of instruction relating to investment responsibilities within twelve months of taking office or assuming duties, and subsequently shall receive a minimum of 10 hours not less often than once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive years after that date. The investment training session shall be provided by an independent source approved by the Board of Directors. See Attachment I for a list of Board approved independent investment training sources. Contingent upon Board approval, additional independent sources from which investment training may be obtained shall include a professional organization, an institute of higher learning, or any sponsor other than a business organization with whom DCTA may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act.

XV. ETHICS AND CONFLICTS OF INTEREST

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

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

XVI. SUBJECT TO AUDIT

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

XVII. INVESTMENT POLICY ADOPTION BY DCTA BOARD

DCTA's Investment Policy shall be adopted annually by the Board of Directors. The policy and strategies shall be reviewed on an annual basis by the Board. A written resolution approving that review, and suggested changes to the policy will be approved by the Board.

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board
6. University of North Texas – Center for Public Management

Board Approved Broker./Dealers List



Approved Broker/Dealers

March 2019

Bank of America Merrill Lynch

BOK Financial

Cantor Fitzgerald & Co

Citigroup Global Markets

D.A. Davidson

Daiwa Capital Markets

FTN Financial

Goldman, Sachs & Co

INTL FCStone

JP Morgan Securities

KeyBanc Capital Markets

*Loop Capital Markets ***

Mesirow Financial

Mizuho Securities

Morgan Stanley & Co

Multi-Bank Securities

Piper Jaffray & Co.

Raymond James

RBC Capital Markets

*Rice Financial ***

SunTrust Robinson Humphrey

Stifel, Nicolaus & Co.

TD Securities

UBS Securities

Vining Sparks

Wells Fargo Securities

*Williams Capital Group ***

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

**** Dark blue italics font indicates firm is an Historically Underutilized Business (HUB) or Minority/Women Owned Business (MWOB).**

BUDGET CONTINGENCY PLAN

DCTA Budget Contingency Plan
Fiscal Year 2020

The fiscal year budget includes revenue streams based on historical trends and projections of future activity. The largest revenue stream is sales tax. A contingency plan is recommended should the budgeted increase in sales tax not materialize or, if there is a need for service enhancements not planned in the fiscal year budget and it is determined that sales tax revenue has increased sufficiently to support sustainable service.

Section I: Sales Tax Revenue Shortfall

The following precautionary actions will be initiated immediately if a sales tax revenue shortfall is anticipated:

Initial Precautionary Action

- Freeze all new hire positions and vacant positions except with necessity review by the Management Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Management Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Management Team.
- Re-justify all travel related expenditures to the Management Team.
- Re-justify expenditures related to the service and materials & supplies category including, but not limited to:
 - Technology
 - Professional Services
 - Consulting Fees

Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:

2% Reduction (\$580,384)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.
- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.
- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$870,576)

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

4% Reduction (\$1,160,767)

- Will require Board policy decisions regarding service delivery and fund balance reserves.
- Re-evaluate any budgeted transfer to Capital Projects which is not a grant match requirement.
- The Management Team will review service level reductions, passenger fare increases, elimination of specific programs, and reduction in work force. This would require implementation of the Service Reduction Policy.
- Evaluate the 90-day Operating Fund Balance Reserve Policy and consider options for fund balance utilization or utilization of other reserve funds. Board action will be required for utilization of reserve funds.

Section II: Sales Tax Revenue Sustainable Increase

The following steps will be followed when it is determined that additional mid-year service level enhancements are necessary (above those already programmed in the annual budget) and sales tax revenue exceeds budget and prior year's actual for at least 4 consecutive months and a determination is made that sales tax revenue increase is sufficient to support sustainable service levels.

For planning purposes, recommended service level increases will be less than or equal to the available sales tax stabilization fund.

Increases in sales tax revenue may be utilized to fund:

- Direct service enhancements
- System support
- Capital Infrastructure and maintenance reserve

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

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

Service Level considerations are not limited to additional transit service hours but may include other agency or transit system support requirements.

Service Level enhancement decisions will follow annual Decision Cycle framework.

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into the Long Range Financial 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

Operational Statistics						
	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual
PASSENGERS						
A-train	568,338	555,423	545,250	504,952	419,335	393,700
Access	29,673	29,984	31,003	29,605	30,268	29,714
Connect	595,390	589,404	549,531	488,319	472,667	569,467
On Demand Zones						8,935
RSVP/ Highland Village	2,872	2,162	2,845	4,568	4,503	3,551
North Texas Xpress				6,449	8,440	12,804
UNT	1,617,002	1,800,332	1,788,877	1,925,549	1,907,035	1,834,402
NCTC	14,264	17,489	20,250	18,147	13,588	12,797
Frisco			3,537	5,603	8,884	12,799
Collin County Transit					4,781	11,559
TOTAL PASSENGERS	2,827,539	2,994,794	2,941,293	2,983,192	2,869,501	2,889,728
REVENUE VEHICLE MILES						
A-train	313,062	326,217	334,468	338,750	329,551	335,610
Access	221,328	209,445	219,186	204,750	206,926	185,147
Connect	675,754	745,349	766,111	772,224	873,956	966,537
On Demand Zones						25,065
RSVP/ Highland Village	14,875	16,620	64,523	106,289	91,649	60,811
North Texas Xpress				100,216	100,250	103,798
UNT	496,709	572,469	584,348	577,498	461,992	444,670
NCTC	51,274	80,565	90,295	91,015	94,977	83,616
Frisco			34,819	39,188	70,979	92,005
Collin County Transit					42,761	79,163
TOTAL REVENUE MILES	1,773,001	1,950,665	2,093,750	2,229,928	2,273,041	2,376,422
REVENUE HOURS						
A-train	12,215	13,149	13,580	13,510	13,206	13,767
Access	16,042	16,050	17,948	18,512	16,982	13,327
Connect	56,313	61,728	63,554	65,262	75,972	81,580
On Demand Zones						3,749
RSVP/ Highland Village	1,565	1,565	7,195	11,068	8,463	5,370
North Texas Xpress				3,912	3,888	3,866
UNT	46,263	51,370	54,784	54,332	44,727	45,457
NCTC	2,360	4,156	4,790	4,576	4,769	4,790
Frisco			2,469	2,899	4,921	6,013
Collin County Transit					1,896	4,559
TOTAL REVENUE HOURS	134,758	148,017	164,320	174,071	174,825	182,478
PASSENGERS PER REVENUE HOUR						
A-train	46.53	42.24	40.15	37.38	31.75	28.60
Access	1.85	1.87	1.73	1.60	1.78	2.23
Connect	10.57	9.55	8.65	7.48	6.22	6.98
On Demand Zones						2.38
RSVP/ Highland Village	1.84	1.38	0.40	0.41	0.53	0.66
North Texas Xpress				1.65	2.17	3.31
UNT	34.95	35.05	32.65	35.44	42.64	40.35
NCTC	6.04	4.21	4.23	3.97	2.85	2.67
Frisco			1.43	1.93	1.81	2.13
Collin County Transit					2.52	2.54
AVERAGE	20.98	20.23	17.90	17.14	16.41	15.84

DENTON COUNTY COMMUNITY PROFILE

DENTON COUNTY COMMUNITY PROFILE

DENTON COUNTY STATISTICS

Denton County was created by an Act of the Texas State Legislature in 1846.

AREA IN SQUARE MILES:

953 (includes lake areas)

OFFICIALS ELECTED BY VOTE OF THE PEOPLE:

40

COUNTY EMPLOYEES INCLUDING THOSE IN GRANT PROGRAMS

1803.5

INCORPORATED MUNICIPALITIES IN THE COUNTY:

42

ORGANIZED SCHOOL DISTRICTS IN THE COUNTY:

17 (11 with schools located in Denton County)

FORM OF GOVERNMENT:

Political subdivision of the State of Texas, a Public Corporation, with a County Judge and four Commissioners as the governing body. The Commissioners Court has only three powers as authorized by the Constitution of Texas or the State Legislator or implied therefrom.

BUSINESS:

Varied industries (food products, apparel, brick, trucks, oil tools, parts, heating and cooling equipment, retail, utilities and many other products), colleges (University of North Texas and Texas Woman's University), Denton State School and tourism.

MINERALS:

Limited output of oil, sand, gravel and clay. Increase output of natural gas.

AGRICULTURE:

Approximately \$123.2 million total farm income; 80% from Livestock, Poultry, and Products including cattle and calves, sheep and goats, and horses. 20% comes from Crops which includes grains, nursery plants, hay and turf grass.

RECREATION:

Water activities at Lewisville, Ray Roberts and Grapevine Lakes, Water Works in Denton; seven U.S. Corp of Engineers' parks; cycling and pedestrian trails, universities' cultural and athletic events; and local activities.

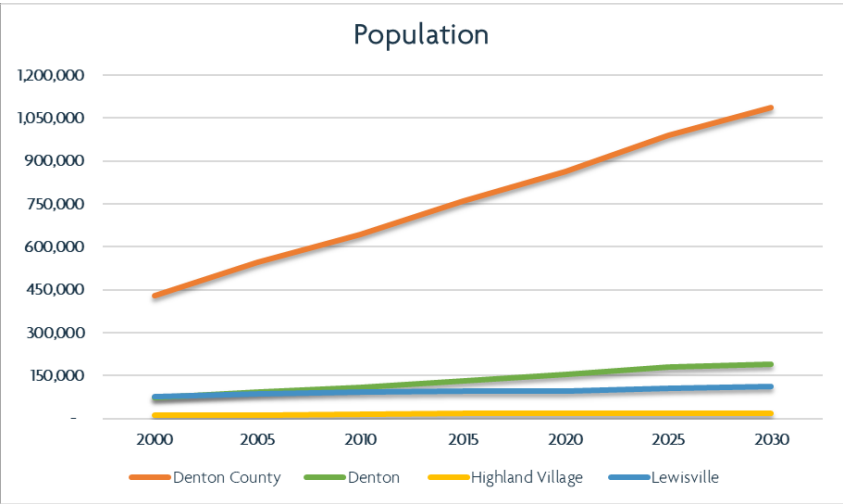
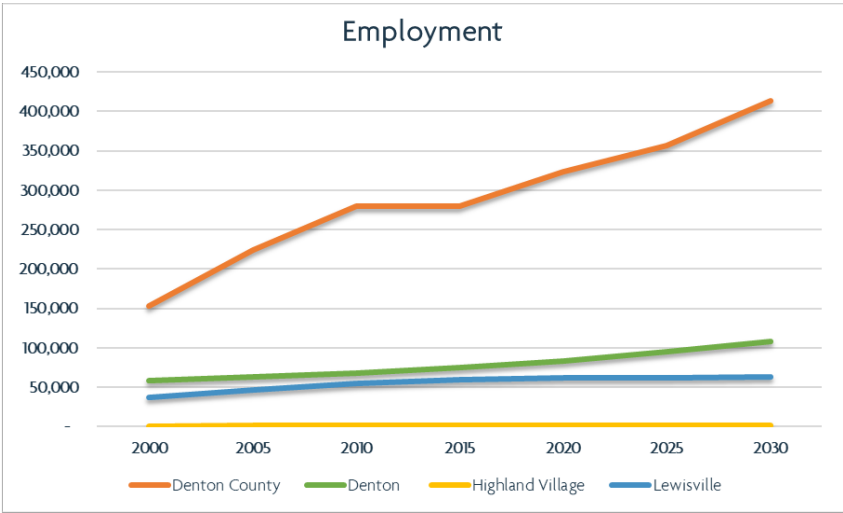
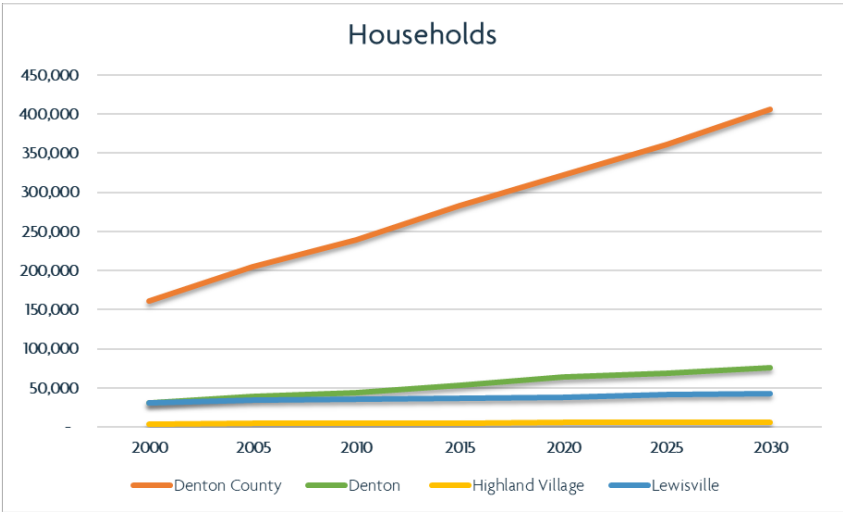
Source: Denton County Budget Department

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	223,677	279,702	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



DENTON COUNTY COMMUNITY PROFILE

LEADING EMPLOYERS IN DENTON COUNTY

LEADING EMPLOYERS DENTON COUNTY	INDUSTRY	RANK	2020
			ESTIMATED NUMBER OF EMPLOYEES
University of North Texas	Education	1	10,894
Lewisville Independent School District	Education	2	6,500
Denton Independent School District	Education	3	4,417
Wal-Mart	Department Store	4	3,722
Peterbilt Motors Co.	Manufacturing	5	3,075
Frito Lay	Food Distribution	6	2,500
Northwest Independent School District	Education	7	2,246
Nebraska Furniture Mart	Retail	8	2,000
Texas Woman's University	Education	9	1,875
Denton County	County Government	10	1,803.5
Denton State School	State Government	11	1,700
City of Denton	City Government	12	1,623
Texas Health Presbyterian Hospital	Hospital	13	1,076
Denton Regional Medical Center	Hospital	14	950
Sally Beauty Company	Beauty Supplies Distribution	15	950
			45,332

Sources: Denton County Budget Department



DENTON COUNTY
TRANSPORTATION
AUTHORITY

DCTA Business Case for Transit: A-train Commuter Rail

The Antero Group
February 2018

The Antero Group, LLC
www.anterogroup.com

BUSINESS CASE FOR TRANSIT**Introduction**

Investment in public transit is often thought of as simply serving a variety of needs by providing an affordable, reliable, and complementary alternative to car-oriented transportation. Indeed, these have been the focal points of many transportation agencies over the years, but further analysis indicates there are other, equally significant, reasons to invest in transit. To further explore this the Denton County Transportation Authority (DCTA) partnered with the Antero Group, an engineering and planning firm, to analyze potential, less obvious, yet significant fiscal benefits of the A-train's presence on Denton County and North Texas. Further, we explored how the A-train is positioned relative to peer systems to better understand how it compares to larger national trends. With this study, the following report sought to better understand the tax benefits and increased development opportunities that have and may result from continued investments in the A-train corridor. The results point to a substantial business case for ongoing investment in this important regional asset.

Report Methodology

The following report analyzed local, regional, and national data sources from a variety of government, non-profit, and research institutions. This analysis quantified the costs and benefits of existing transportation for residents and businesses in the Denton County and North Texas region. Research included in this report consists of a combination of primary data from the United States Census and Bureau of Labor Statistics, DCTA ridership surveys, Denton County tax assessor data, North Central Texas Council of Governments (NCTCOG), Texas A&M building permits data, and the United States Department of Transportation (USDOT). This data was examined and then synthesized to outline the impacts of the A-train extending one-half mile along the corridor.

Current trends in terms of demographics, workforce, and consumer preferences are integrated in this report by analyzing the fiscal impacts associated with public transit investment. The report also illustrates the potential increases in property and sales taxes, decreases in public infrastructure expenditures, and increases in disposable income associated with a lower cost of living. The research also highlights potential impacts on the local real estate market of transit-oriented development (TOD) and the potential savings associated with reducing road construction. Lastly, this report utilized national case studies to determine the secondary benefits associated with reducing transportation congestion and the health benefits of improved air quality.

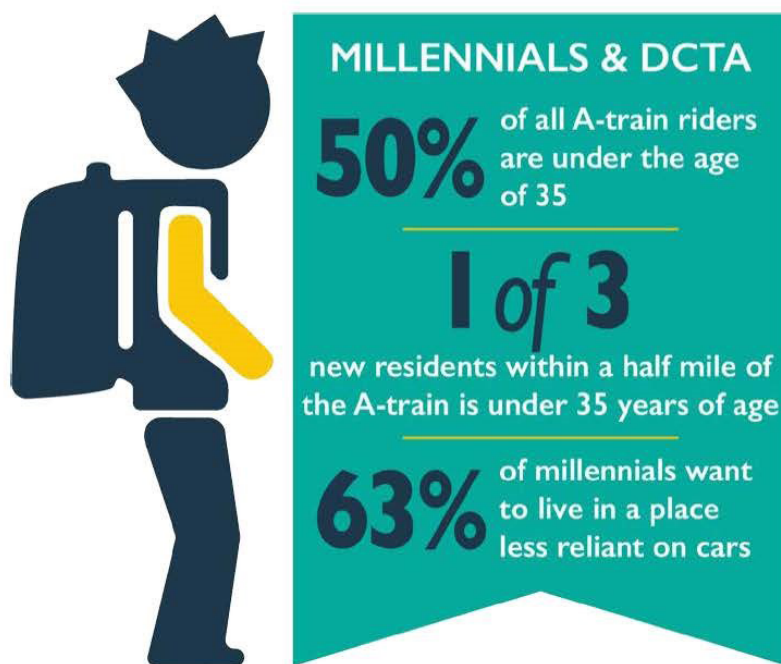


BUSINESS CASE FOR TRANSIT

Key Demographics

The DCTA A-train has helped attract and serve young earners under 35, students, professionals, and seniors, all of whom benefit from the service. Additionally, the A-train is an amenity that, alongside the workforce and quality of life assets, will keep Denton County competitive for future business attraction. Below are several important points that outline demographic trends emerging along the A-train corridor, as well as within Denton County.

- *The A-train has attracted development for young, upwardly mobile Millennials (under 35).*
 - This generation is likely to be moving over the next five years, just as they enter their prime earning years, 63% of them want to live in a place less reliant on cars.ⁱ Communities best positioned to attract these future stakeholders have a multitude of transportation options.ⁱⁱ
 - Since opening in 2011, the A-train has unlocked development to attract more of this critical workforce to Denton County. In Lewisville, under 35 households are the key market for the Hebron 121 development. In Denton, Martino Group responded to the A-train station by building East End Lofts, also targeted to under 35 households.
 - As a result, Denton County has attracted this critical demographic group
 - 1 out of 3 new residents within one half mile of the A-train is 35 cohort;ⁱⁱⁱ
 - 50% of all A-train riders are under 35^{iv}



BUSINESS CASE FOR TRANSIT

- *The A-train attracts professionals and high wage job employers.*
 - Increasingly, workers in knowledge and professional fields are attracted to areas with good public transportation.^v Migrants into the Dallas-Fort Worth Area from domestic and international destinations with good transit access are more likely to seek to live within a community with the same amenity.
 - The DCTA helps connect member cities to the major employers growing the regional economy. Between the DCTA and the DART Green Line, Denton County can use the A-train to reach:
 - 9 out of 15 top employers in the Dallas-Fort Worth area^{vi}
 - This includes 35,170 jobs just at Southwestern Medical Center, a one-hour ride from Hebron station.^{vii}



- Member cities have utilized the A-train, alongside schools and quality of life, to market housing to in-migrants and international arrivals working at these major employers.
- Since the A-train opened in 2011, high earning professionals have used DCTA in increasing numbers. As transit ridership has grown in the County since 2010:
 - 48% of growth came among professionals earning more than \$65,000 per year.^{viii}
 - 65% of growth came among riders in professional or office occupations.^{ix}
- The A-train will keep Denton County and the Dallas region competitive for other corporate relocations.
 - In its HQ2 competition, Amazon made mass transit access one of its six core requirements in its RFP.^x

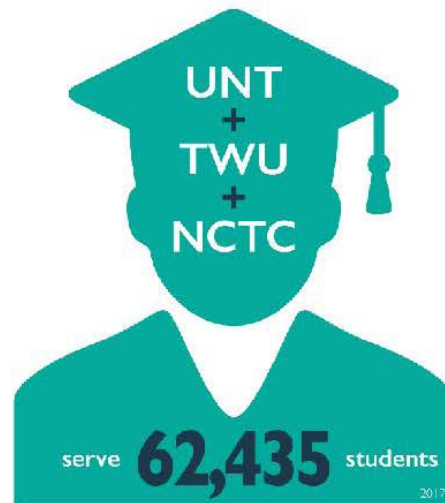
BUSINESS CASE FOR TRANSIT

- The RFP also emphasizes areas of Countywide and regional strength, including an educated workforce, a high quality of life, and the potential availability of economic development incentives.

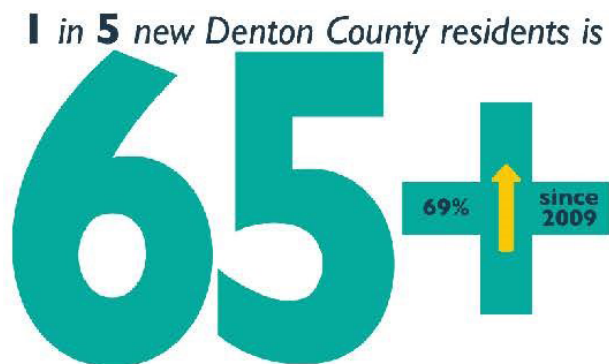
This preference is not limited to Amazon. A 2015 study of 40 business moves from auto-oriented to centralized locations found that companies emphasized workforce access in making the move. These moves boosted their location's Transit Score, a national score for transit service on a 0-100 scale, by an average of 25 points.^{xi}

- DCTA service provides a critical element to future business attraction, alongside workforce, tax, and quality of life considerations.

- *DCTA service gets students where they want to go.*
 - Together, UNT, TWU, and NCTC 62,435 serve full- and part-time students.^{xii}
 - These students include first generation families, low-income families, or both.
 - They may not own or afford cars, and this strain will increase if gas prices increase, but the A-train helps them get to class.
 - 26% of A-train riders are between 18-24.^{xiii}



- *DCTA service will help older County residents as they age in place.*
 - DCTA bus service will help provide a cost friendly alternative to paratransit as these residents age and increasingly need transportation to medical and other services.
 - The percentage of Denton County residents above 65 is growing.
 - Since 2009, the number of residents above 65 has increased by 69%.^{xiv}
 - 1 out of every 5 new net County residents is above 65.
 - And an additional 4 out of 10 County residents will reach retirement age over the next 10 years.^{xv}



BUSINESS CASE FOR TRANSIT

Improved Tax Revenue and Reduced Expenditures

DCTA and the A-train help pay for themselves by generating revenue for new development and reducing the need for additional infrastructure expansion as Denton County continues to grow. Development around the A-train has created new property and sales tax value that has already begun to recoup the capital and operating costs of the system. And by providing an alternative to driving, DCTA is an investment for the future as the land needed for road expansion becomes more cost prohibitive.

- The A-train has paid for its construction costs in spurring new real estate value in its member cities.
 - Responding to growing demand from the millennial generation, the multifamily residential market is booming locally and nationally. In 2017, ULI and PriceWaterhouseCoopers ranked the Dallas region the fifth hottest multifamily market in the United States.^{xvi}
 - In 2016 alone, the region attracted \$1.6B in new multifamily real estate investment.^{xvii} To date, Denton County has lagged its neighbors, attracting just \$157M in multifamily investment in 2016. Collin County, by contrast, spurred \$496M.^{xviii}



- The A-train has better positioned the County to attract more of this investment as transit- oriented development (TOD). Around the Downtown Denton Transit Center, several multifamily developments east of downtown, like Victoria Station and East End Lofts, were proposed after the A-train was announced. Hebron station helped advance the Hebron 121 development. More development is planned around the Old Town Lewisville and Highland Village/Lewisville Lake Stations.

BUSINESS CASE FOR TRANSIT

- The A-train has helped create a development environment for TOD that has:
 - Added 1,136 residential units and 68,000 sq. ft. in TODs, with another 1,434 units in the pipeline.^{xxix}
 - Added new private investment of \$345M, roughly equal to the \$347M construction cost of A-train.^{xxx}

THE A-TRAIN HAS HELPED INCREASE DEVELOPMENT:



- The A-train is beginning to pay for its operational costs in new property and sales taxes.
 - Once completed, TOD developments will create \$11.8M in new property and sales tax revenue for its member cities:
 - \$2.9M has already been created in property tax from new TOD development,^{xxxi} with \$3.3M in the pipeline.^{xxxi}
 - A projected \$1.0M has been created in sales tax from new consumers and reduced transportation expenditures, with \$716,000 expected from future development.^{xxxi}
 - The estimated yearly property and sales tax return is 44% of the \$26.6M sales tax contributions from member cities in 2018.^{xxiv}
- The A-train has created additional taxable value up and down the corridor.
 - DCTA service creates a price premium for existing properties that appreciate with new access to transit and jobs. This premium stays resilient during housing downturns. Across five transit-served regions, residential property near transit

BUSINESS CASE FOR TRANSIT

- has been found to outperform the market by an average of 42%.^{xxv}
- Since 2011 properties within one-half mile of the A-train alignment have experienced:
 - \$1.3B in increased property value;^{xxvi}
 - A projected \$30M increase in property tax from value added.^{xxvii}



- *The A-train will provide an alternative as roadway construction becomes more expensive.*
 - Building roads can be expensive. Road building often requires the acquisition of land from private property owners.
 - According to the FHWA, right-of-way acquisition for new interstates and highways in urbanized areas costs an inflation-adjusted \$924,109 for every new land mile constructed on average.^{xxviii}
 - As the County grows and develops, the public cost of land acquisition for road expansion will continue to rise. Such expansion may require purchase of property from thriving areas, and may, ultimately, be logistically or cost prohibitive.
 - According to TXDOT, the 2013 cost of rebuilding I-35E from 635 to 380 was:
 - \$3.7 billion to construct
 - \$1 billion for right of way acquisition^{xxix}
 - The A-train parallels I-35E. As the costs for expanding road capacity escalate, the A-train provides an alternative.

BUSINESS CASE FOR TRANSIT

Reduced Congestion and Improved Air Quality

Traffic and air quality concerns have increased in Denton County. The A-train provides an alternative to congestion and, over time, an opportunity to reduce driving and provide cleaner air.

- *The A-train provides a reliable alternative to worsening congestion.*
 - As traffic worsens in Denton County and the Dallas region, commute times are on the rise. **1 in 10** Denton County commuters now travel more than 60 minutes to work – **an increase of 47% since 2009.**^{xxx}
 - The A-train provides a reliably scheduled alternative to this congestion.
 - Traffic congestion wastes commuter time, makes employees late, creates uncertainty in reliability for services and deliveries, and worsens tailpipe emissions from cars. Every year, congestion costs the average commuter \$1,067^{xxxi}

CONGESTION IS INCREASING IN DENTON COUNTY

- *The A-train reduces vehicle miles and improves the air.*
 - Denton County has registered the dirtiest air among Texas counties, created by large concentrations of oxides of nitrogen (NO_x) and volatile organic compounds (VOC) in the air.^{xxxi} Though some of this pollution results in north winds that blow emissions from other communities into the County, local transportation plays a role.
 - Increasing vehicle miles traveled in Denton County means that vehicles emit significant amounts of pollutants even as vehicles are becoming cleaner:
 - In 2017, the typical passenger vehicle in Denton County traveled 64 miles per day, an increase in 8% just since 2006.^{xxxi}
 - Because of these long commutes, NCTCOG estimates that the typical passenger vehicle emits **1.04 tons** in VOC and **5.32 tons** in NO_x per day.^{xxxi}



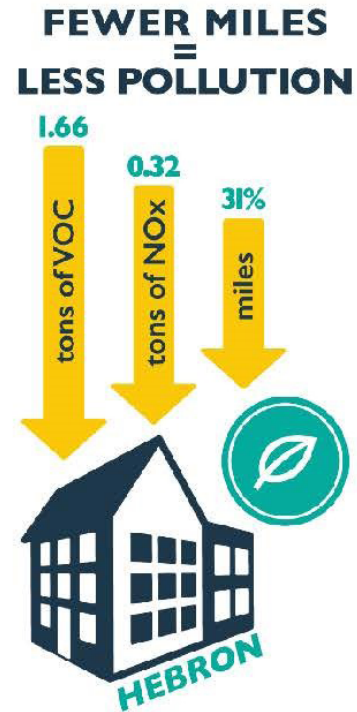
BUSINESS CASE FOR TRANSIT

- The A-train has helped spur development in locations where people can drive a little bit less and emit fewer pollutants into the air. For example, households at Hebron 121 drove a projected 44 miles per day, 31% fewer miles than the typical County resident. For every resident able to drive these fewer miles, their car produces a projected:
 - 1.66 fewer tons of NO_x.
 - 0.32 fewer tons of VOC. ^{xxxv}

A More Affordable Cost of Living

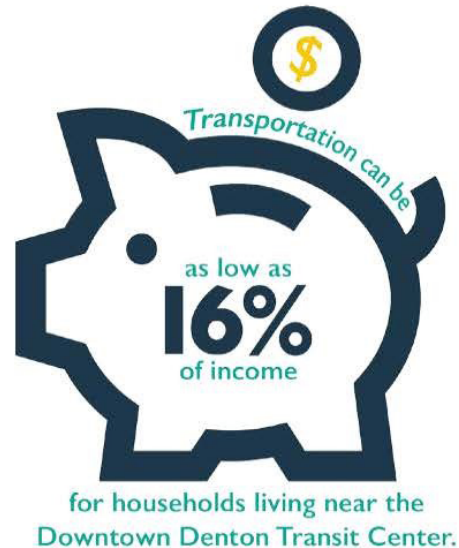
Transportation is the second biggest cost in a household's budget. The A-train has helped spur development in places close to jobs and amenities where residents can take transit for some trips and drive a little bit less for others. This helps reduce the overall cost of transportation. Over time, residents can reinvest those transportation savings in the local economy and generate substantial economic growth.

- Transportation significantly increases economic pressure on households, but DCTA offers relief.
 - The cost of housing, transportation, health care, and education are all rising. An average American household spends 49.9% of income just on housing and transportation.^{xxxvi} Increased spending on transportation leaves less in household pockets to spend money at local businesses and drive the economy.
 - Transportation costs include the cost of buying a car, insurance, repairs, depreciation from driving, and gasoline. These costs escalate when every driving age household member needs a car.



BUSINESS CASE FOR TRANSIT

- Transportation costs the typical Denton County household **\$13,211 per year**:
 - **\$10,226** to own the vehicle and
 - **\$2,938** to drive it
 - That's **22% of income** for a household earning **\$60,000** per year^{xxxvii}
- The A-train has created new housing in neighborhoods closer to destinations where households can take transit to some places and drive a little bit less to others. As a result, transportation costs can be as low as **16% of income** for a household living near the Downtown Denton Transit Center.



- *DCTA can help those savings aggregate as the County grows.*
 - Denton County is projected to add 152,191 households by 2040. If just one out of every five of these new households saved as much on transportation as residents around the Hebron A-train station, they would:
 - Save an aggregate **\$129,331,911** in owning and fueling cars
 - Spend an estimated **\$46,456,602** in the local economy
 - Create **1,394** new jobs just from new consumer spending^{xxxviii}

Transit-Oriented Development Case Studies

Since opening in 2011, the A-train has made new developments possible, which are generating returns for the county-wide economy and tax base. Two of these case studies, Hebron 121 and East End Lofts demonstrate that the A-train has made possible new real estate investment that is contributing to local economies and tax bases.

- **Hebron 121**
 - Huffines Development immediately thought "transit-oriented development" when it purchased a farm around Hebron station in anticipation of the A-train opening.
 - Initially, Huffines planned a single-family development, but as the economy changed after 2008/9, so did the nature of the development.
 - Hebron 121 is centered around the "Millennial renter", and the combination of transit access, bicycle amenities, town center style development, and road connectivity all made the development possible.
 - The project has been a tremendous success. The first phases are 95% leased, and additional phases are on the way.

BUSINESS CASE FOR TRANSIT

- Impact:
 - 1,426 new units
 - \$184,381,800 in estimated new investment
 - \$1,736,208 in property tax created and sales tax created^{xxxxix}
 - \$38,062,918 in new aggregate income, plus \$1,899,882 in savings accrued from reduced transportation costs, equaling \$39,962,801 in increased effective income in the community
 - 20 fewer vehicle miles traveled per household per day, resulting in a projected:
 - 2,178 fewer tons of NO_x per day
 - 424 fewer tons of VOC per day^{xi}



- **East End Lofts**

- When Martino Group first began developing projects, walkable, multifamily development had few comparables, but the company provided “proof of concept”, especially among the millennial renter market.
- Downtown Denton had an emerging market due to the presence of college population and hospitality businesses, but had yet to geographically expand eastward into an area of underutilized industrial properties.
- The A-train station made it possible to development to expand across the tracks and redevelop a vacant building and site otherwise disconnected from the Square.
- As of September 2017, the building was fully leased, reflecting high demand.
- The A-train station also made possible a co-working center, currently operated by City of Denton. Previous ownership of the center reported that the proximity to the A-train attracted tenants interested in the transit connection into the DFW area.



BUSINESS CASE FOR TRANSIT

○ Impact:

- 110 new housing units
- 9,061 new square footage of retail and office space
- \$425,685 in property and sales tax created, or \$115,675 per acre^{xii}
- \$4,355,287 in new aggregate income, plus \$134,562 in savings accrued from reduced transportation costs, equaling \$4,478,849 in increased effective income in the community
- 18.4 fewer vehicle miles traveled per household per day, resulting in an overall projected:
 - 168 fewer tons of NO_x per day
 - 33 fewer tons of VOC per day^{xiii}

**Conclusion**

The above analysis points to an impressive economic benefit connected directly to the presence of the DCTA A-train within Denton County. This report makes it clear that a combination of demographic changes, shifts in consumer preferences, and increased real estate development will likely continue to increase the demand for public transit investment in the near future. Furthermore, this report indicates that the reciprocal benefits of public transit investment will yield greater economic returns for Denton County in terms of increased revenue from transit-oriented development investment, reduced public expenditures on transportation, reduced congestion on roads, increased labor productivity, lower health costs resulting from decreases in pollution and ultimately, a more vibrant regional economy.

BUSINESS CASE FOR TRANSIT

- ⁱ Urban Land Institute, *Housing in America*, 2015.
- ⁱⁱ Urban Land Institute and PriceWaterhouseCoopers, *Emerging Trends in Real Estate*, 2017.
- ⁱⁱⁱ U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015. All data has been aggregated to ½ mile around each A-train station.
- ^{iv} DCTA Ridership Survey, 2017.
- ^v American Public Transportation Association, *Public Transportation's Role in the Knowledge Economy*, 2016.
- ^{vi} Tiago Title data subsourced from [Dallas Business Journal data](https://www.bizjournals.com/dallas/subscriber-only/2017/07/21/largest-north-texas-employers.html) <https://www.bizjournals.com/dallas/subscriber-only/2017/07/21/largest-north-texas-employers.html> (2017)
- ^{vii} Southwest Medical District, <http://www.swmeddistrict.org/>
- ^{viii} U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015.
- ^{ix} U.S. Census, American Community Survey 5 Year Rolling Averages, 2006 – 2010 to 2010 – 2015.
- ^x Amazon, "Amazon HQ2 RFP", https://images-na.ssl-images-amazon.com/images/G/01/Anything/test/images/usa/RFP_3_V516043504_.pdf.
- ^{xi} Smart Growth America, "Core Values: Why American Companies Are Growing Downtown", 2015.
- ^{xii} University websites
- ^{xiii} DCTA Ridership Survey, 2017.
- ^{xiv} U.S. Census, American Community Survey, 1 Year Estimates, 2009 – 2015.
- ^{xv} U.S. Census, American Community Survey, 1 Year Estimates, 2009 – 2015.
- ^{xvi} ULI and PWC, *Emerging Trends in Real Estate*.
- ^{xvii} Texas A&M Real Estate Center, "Building Permits". <https://www.recenter.tamu.edu/data/building-permits>.
- ^{xviii} Texas A&M Real Estate Center, "Building Permits". <https://www.recenter.tamu.edu/data/building-permits>.
- ^{xix} DCTA member cities and developer interviews
- ^{xx} Total real estate value created is projected using the average value per dwelling unit as provided by the Texas A&M Real Estate Center.
- ^{xxi} Denton County Tax Assessor/Collector.
- ^{xxii} Future tax generated is estimated from property tax created to date, using comparable value created per unit from the Denton County Tax Assessor/Collector and tax rates among member cities and Independent School Districts.
- ^{xxiii} Property tax revenue was generated from Denton Central Appraisal District data provided by DCTA in summer of 2017, crosschecked with County Assessor's website to confirm parcels and tax rates. Estimated sales tax revenue is projected first using projected aggregate income from the U.S. Census as well as additional transportation cost savings from the CNT H+T Affordability Index (<http://htaindex.cnt.org/>) at each A-train station area (defined as areas within a half-mile of a station), then a projection of increased local consumer spending in select categories using the BLS Consumer Expenditure Survey for residents in the southern United States (Table 1800). Sales tax is projected for each member city using the local sales tax rate.
- ^{xxiv} Denton County Transportation Authority Proposed Fiscal Year 2018 Budget.
- ^{xxv} APTA and CNT, *The New Real Estate Mantra: Location Near Public Transportation*, 2013.
- ^{xxvi} Analysis of Denton Central Appraisal District data conducted by DCTA staff.
- ^{xxvii} Property tax increase is estimated using property tax increment for each member city and Independent School District, according to the Denton County Tax Assessor/Collector.
- ^{xxviii} Victoria Transport Policy Institute, *Transportation Cost and Benefit Analysis II – Roadway Costs*, 2017. Estimates have been adjusted to reflect 2017 dollars using the Bureau of Labor Statistics Inflation Adjustment.
- ^{xxix} NCTCOG, "Interstate 35E: Project Tracker", http://www.nctcog.org/trans/committees/sttc/2011/08Aug/Ref.Itm_11.10.sttc082611.pdf.
- ^{xxx} U.S. Census, American Community Survey 5 Year Rolling Averages, 2005 – 2006 to 2011 – 2016.
- ^{xxxi} American Community Survey (2016), and Texas A & M Transportation Institute (<https://static.tti.tamu.edu/tti.tamu.edu/documents/mobility-scorecard-2015.pdf>)
- ^{xxxii} Denton Record-Chronicle, "City's average ozone level for 3 years is highest in Texas", <http://www.dentonrc.com/news/news/2016/11/29/denton-air-ranks-as-states-dirtiest>.
- ^{xxxiii} NCTCOG.
- ^{xxxiv} NCTCOG. Data modeled through the USEPA Motor Vehicle Emissions Simulator model.
- ^{xxxv} Projected VMT savings using the difference between 2017 countywide VMT modeled by NCTCOG and station area

BUSINESS CASE FOR TRANSIT

VMT calculated by CNT H+T Affordability Index. Projected emissions savings calculated by using a multiplier using the 2017 per vehicle estimates provided by NCTCOG. This estimate does not consider idling and congestion, both of which significantly affect the level of emissions that a vehicle generates.

^{xxxvi} Bureau of Labor Statistics, Consumer Expenditure Survey by region of residence (South). Data is for mean income of \$67,731 per year.

^{xxxvii} Calculated using CNT H+T Index.

^{xxxix} Estimate generated from NCTCOG projections and CNT H+T Index.

^{xxx} Denton Central Appraisal District, Bureau of Labor Statistics, CN H+T Affordability Index, Antero Group Analysis

^{xi} U.S. Census Bureau, CNT H+T Affordability Index, Antero Group Analysis

^{li} Denton Central Appraisal District, Bureau of Labor Statistics, CN H+T Affordability Index, Antero Group Analysis

^{lii} U.S. Census Bureau, CNT H+T Affordability Index, Antero Group Analysis

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. R19-11**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2019-2020, BEGINNING OCTOBER 1, 2019 AND ENDING SEPTEMBER 30, 2020; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION, CAPITAL IMPROVEMENT PLAN, LONG RANGE FINANCIAL PLAN, AND BUDGET CONTINGENCY PLAN; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR 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, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan have been presented to the public for review and comment; and

WHEREAS, the budget, Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan have been presented to the DCTA Board of Directors for review and comment; and

WHEREAS, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2019–2020 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 Budget for FY 2019-2020, including Change in Net Position, Capital Improvement Plan, Long Range Financial Plan, and Budget Contingency Plan, attached as Exhibits “A” through “D”, be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed, and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

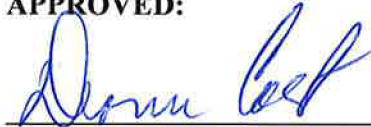
SECTION 2. That all Budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2018-2019 are hereby ratified, and the budget for fiscal year 2019-2020, heretofore adopted by resolution of the DCTA Board of Directors, 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 26TH DAY OF SEPTEMBER, 2019.

APPROVED:



Dianne Costa, Chair

ATTEST:



Randall Chrisman, Secretary

APPROVED AS TO FORM:



Joseph J. Gorfida, Jr., General Counsel
(09-16-2019:TM 110897)

DCTA RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget

Description	DCTA FY 2018 Actuals	DCTA FY 2019 Working Budget	DCTA FY 2020 Proposed Budget
OPERATING REVENUE			
Passenger Revenues (Bus Farebox)	\$ 552,309	\$ 433,249	\$ 624,049
Passenger Revenues (Rail Farebox)	562,424	447,200	588,272
Contract Service Revenue	3,416,001	4,132,383	4,416,160
Total Operating Revenue	4,530,734	5,012,832	5,628,481
OPERATING EXPENSES			
Salary, Wages and Benefits	11,137,613	10,287,136	4,996,191
Services	4,348,623	4,634,656	3,393,656
Materials and Supplies	2,508,019	3,165,045	3,307,659
Utilities	439,476	503,723	527,988
Insurance, Casualties and Losses	1,707,911	1,767,923	1,752,329
Purchased Transportation Services	8,980,451	10,342,159	10,700,706
Miscellaneous	274,071	535,869	387,237
Leases and Rentals	213,497	234,974	229,633
Depreciation	10,202,355	10,790,950	10,612,052
Total Operating Expenses	39,812,018	42,262,435	35,907,451
Operating Income / (Loss)	(35,281,283)	(37,249,603)	(30,278,970)
NON-OPERATING REVENUE / (EXPENSE)			
Investment Income	350,924	200,000	400,000
Misc. Revenues	860,988	86,761	52,000
Sales Tax Revenue	27,937,707	28,450,180	29,019,184
Federal Grants & Reimbursements	7,116,198	6,858,947	10,226,774
State Grants & Reimbursements	-	1,303,696	780,389
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	(909,480)
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	39,568,867
Income (Loss) Before Transfers	(55,729)	(1,325,003)	9,289,897
Transfers Out	-	(2,817,851)	(8,781,700)
Transfers In	-	-	-
Total Transfers	-	(2,817,851)	(8,781,700)
CHANGE IN NET POSITION			
	\$ (55,729)	\$ (4,142,854)	\$ 508,197
Net Position - Beginning of Year:			27,142,770
Net Position - End of Year:			27,650,967
Transfer to Capital Projects			(10,282,173)
Debt Service Principal			(1,870,000)
Rail Easement Payment			(100,000)
Net Position After Capital Project Transfer			\$ 15,398,794

DCTA RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget

EXHIBIT A-1

Description	FY 2018 Actuals	DCTA FY 2019 Working Budget	NTMC FY 2019 Working Budget (June - Sept. 2019)	Total FY 2019 Working Budget	DCTA FY 2020 Proposed Budget	NTMC FY 2020 Proposed Budget	Total FY 2020 Proposed Budget
OPERATING REVENUE							
Passenger Revenues (Bus Farebox)	\$ 552,309	\$ 433,249	\$ -	\$ 433,249	\$ 624,049	\$ -	\$ 624,049
Passenger Revenues (Rail Farebox)	562,424	447,200	-	447,200	588,272	-	588,272
Contract Service Revenue	3,416,001	4,132,383	-	4,132,383	4,416,160	-	4,416,160
Total Operating Revenue	4,530,734	5,012,832	-	5,012,832	5,628,481	-	5,628,481
OPERATING EXPENSES							
Salary, Wages and Benefits	11,137,613	10,287,136	2,674,142	12,961,278	4,996,191	8,460,824	13,457,015
Services	4,348,623	4,634,656	29,154	4,663,810	3,393,656	95,040	3,488,696
Materials and Supplies	2,508,019	3,165,045	-	3,165,045	3,307,659	-	3,307,659
Utilities	439,476	503,723	-	503,723	527,988	-	527,988
Insurance, Casualties and Losses	1,707,911	1,767,923	40,408	1,808,331	1,752,329	132,636	1,884,965
Purchased Transportation Services	8,980,451	10,342,159	-	10,342,159	10,700,706	-	10,700,706
Miscellaneous	274,071	535,869	74,147	610,016	387,237	93,200	480,437
Leases and Rentals	213,497	234,974	-	234,974	229,633	-	229,633
Depreciation	10,202,355	10,790,950	-	10,790,950	10,612,052	-	10,612,052
Total Operating Expenses	39,812,018	42,262,435	2,817,851	45,080,286	35,907,451	8,781,700	44,689,151
Operating Income / (Loss)	(35,281,283)	(37,249,603)	(2,817,851)	(40,067,454)	(30,278,970)	(8,781,700)	(39,060,670)
NON-OPERATING REVENUE / (EXPENSE)							
Investment Income	350,924	200,000	-	200,000	400,000	-	400,000
Misc. Revenues	860,988	86,761	-	86,761	52,000	-	52,000
Sales Tax Revenue	27,937,707	28,450,180	-	28,450,180	29,019,184	-	29,019,184
Federal Grants & Reimbursements	7,116,198	6,858,947	-	6,858,947	10,226,774	-	10,226,774
State Grants & Reimbursements	-	1,303,696	-	1,303,696	780,389	-	780,389
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	-	(974,984)	(909,480)	-	(909,480)
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	-	35,924,600	39,568,867	-	39,568,867
Income (Loss) Before Transfers	(55,729)	(1,325,003)	(2,817,851)	(4,142,854)	9,289,897	(8,781,700)	508,197
Transfers Out	-	(2,817,851)	-	(2,817,851)	(8,781,700)	-	(8,781,700)
Transfers In	-	-	2,817,851	2,817,851	-	8,781,700	8,781,700
Total Transfers	-	(2,817,851)	2,817,851	-	(8,781,700)	8,781,700	-
CHANGE IN NET POSITION	\$ (55,729)	\$ (4,142,854)	\$ -	\$ (4,142,854)	\$ 508,197	\$ -	\$ 508,197
Net Position - Beginning of Year:							27,142,770
Net Position - End of Year:							27,650,967
Transfer to Capital Projects							(10,282,173)
Debt Service Principal							(1,870,000)
Rail Easement Payment							(100,000)
Net Position After Capital Project Transfer							\$ 15,398,794

DCTA RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

DENTON COUNTY TRANSPORTATION AUTHORITY
Capital Improvement Plan

EXHIBIT B

Project Name	Project Number	Current Project Budget	Project LTD thru FY 2018	Revised FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Project Total (Thru 2025)
BUS CAPITAL EXPENDITURE											
IOMF Fuel Tanks - Lewisville	50305	\$ 1,037,000	\$ 478,177	\$ 558,823						\$	\$ 1,037,000
BUS FLEET REPLACEMENT											
Fleet (2018)	50512	1,360,932		1,360,932							1,360,932
Fleet (2019)	50513	1,481,000			1,481,000						1,481,000
Fleet (2020)	NEW	2,662,600			1,062,600						1,062,600
Future Fleet Replacement	NEW					3,761,183	1,606,067	2,358,069	2,974,896	3,098,071	13,798,286
PROFESSIONAL SERVICES/TECHNOLOGY IMPROVEMENTS											
Stadler Diagnostics Laptops (2)	NEW	80,000			80,000					80,000	160,000
Scheduling Software	50601	250,000	28,125		221,875						250,000
Integrated Fare Payment	50411	600,000			600,000						600,000
Shared Use Mobility Study	10606	123,428		63,921	59,507						123,428
Server & Network Infrastructure	10403	350,000		306,910	43,090				350,000		700,000
Project Mgmt./Document Control	10605	50,648		25,138							25,138
TRANSIT SAFETY IMPROVEMENTS											
Trail Safety Improvements	61715	181,157	5,600	51,400	124,157						181,157
Rail Safety Improvements	61718	400,000	67,678	186,049	200,000	200,000	200,000	200,000	200,000	200,000	1,453,727
Safety & Security Assessment	10604	250,000	25,000								25,000
HIKE & BIKE TRAILS											
Lewisville Bike Trail - Eagle Point	61716	2,995,873	83,204	1,989,242	923,427						2,995,873
MAJOR MAINTENANCE ITEMS											
Major Maintenance Items - Rail	61719	2,450,000		1,929,468	2,024,826	2,124,693	2,062,535	1,798,907	1,099,619	1,704,328	12,744,376
Major Maintenance Items - Bus	NEW	125,000			125,000	-	179,530	238,264	273,851	200,000	1,016,645
POSITIVE TRAIN CONTROL											
Positive Train Control Implementation	61406.1	16,720,141	13,953,896	1,483,887	1,282,358						16,720,141
Positive Train Control Enhancements (Phase 2)	NEW	5,000,000		150,000	1,780,555	3,069,445					5,000,000
INFRASTRUCTURE ACQUISITION											
	10302	400,000	173,395	24,037	202,568						400,000
BROWNFIELD REMEDIATION											
	61605	385,000	139,720	174,070	71,210						385,000
TOTAL CAPITAL BUDGET		\$ 36,902,779	\$ 14,954,795	\$ 8,303,877	\$ 10,282,173	\$ 9,155,321	\$ 4,048,132	\$ 4,595,240	\$ 4,898,366	\$ 5,282,399	\$ 61,520,304

DCTA RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

Fiscal Year 2020 Long Range Financial Plan

EXHIBIT C

DENTON COUNTY TRANSPORTATION AUTHORITY LONG RANGE FINANCIAL PLAN FY2019-FY2025													
	FY2019 Working Budget	Proposed FY2020	Proposed FY2021	Proposed FY2022	Proposed FY2023	Proposed FY2024	Proposed FY2025	Proposed FY2026	Proposed FY2027	Proposed FY2028	Proposed FY2029	Proposed FY2030	Proposed FY2031
<i>Beginning fund balance:</i>	\$ 30,688,559	27,143,270	\$ 26,056,846	\$ 25,218,840	\$ 24,502,229	\$ 23,786,611	\$ 23,070,955	\$ 22,355,289	\$ 21,639,623	\$ 20,923,957	\$ 20,208,291	\$ 19,492,625	\$ 18,776,959
OPERATING REVENUES													
Bus Operating Revenue	4,565,612	5,040,209	4,944,278	5,076,531	5,187,408	5,298,285	5,409,162	5,519,039	5,628,916	5,738,793	5,848,670	5,958,547	6,068,424
Rail Operating Revenue	388,272	447,700	594,715	910,097	606,098	671,759	693,284	693,284	693,284	693,284	693,284	693,284	693,284
Misc. Revenue	86,261	32,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
NON-OPERATING REVENUES													
Sales Tax Revenue	76,400,000	77,019,884	30,178,550	31,987,149	32,228,764	33,298,627	34,368,490	35,438,353	36,508,216	37,578,079	38,647,942	39,717,805	40,787,668
Operating Grants	4,413,253	5,233,753	5,000,158	7,077,386	6,475,789	5,900,883	5,325,292	4,750,706	4,176,119	3,601,532	3,026,946	2,452,359	1,877,772
Investment Income	200,000	400,000	200,000	380,000	427,500	465,600	503,700	541,800	579,900	618,000	656,100	694,200	732,300
TOTAL REVENUES	81,137,142	108,843,016	62,336,361	64,293,372	64,215,316	65,186,229	66,157,146	67,128,063	68,098,980	69,069,897	70,040,814	71,011,731	71,982,648
TOTAL EXPENSES	81,137,142	108,843,016	62,336,361	64,293,372	64,215,316	65,186,229	66,157,146	67,128,063	68,098,980	69,069,897	70,040,814	71,011,731	71,982,648
NET AVAILABLE FUND BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CAPITAL OUTLAY & MAJOR MAINTENANCE													
Bus Capital Expenditure	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rail Capital Expenditure	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Miscellaneous Capital Expenditure	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL CAPITAL OUTLAY & MAJOR MAINTENANCE	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
NET AVAILABLE FUND BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DEBT SERVICE													
Debt Service	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL DEBT SERVICE	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
NET AVAILABLE FUND BALANCE	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

9/7/2019

DCTA Budget Contingency Plan
Fiscal Year 2020

The fiscal year budget includes revenue streams based on historical trends and projections of future activity. The largest revenue stream is sales tax. A contingency plan is recommended should the budgeted increase in sales tax not materialize or, if there is a need for service enhancements not planned in the fiscal year budget and it is determined that sales tax revenue has increased sufficiently to support sustainable service.

Section I: Sales Tax Revenue Shortfall

The following precautionary actions will be initiated immediately if a sales tax revenue shortfall is anticipated:

Initial Precautionary Action

- Freeze all new hire positions and vacant positions except with necessity review by the Management Team.
- Identify any non-traditional revenue sources.
- Re-justify all planned capital outlay over \$10,000 to the Management Team prior to expenditures.
- Re-justify all vehicle replacement/purchase schedules to the Management Team.
- Re-justify all travel related expenditures to the Management Team.
- Re-justify expenditures related to the service and materials & supplies category including, but not limited to:
 - Technology
 - Professional Services
 - Consulting Fees

Initiate the following expenditure reductions and measures if a cumulative unanticipated shortfall in sales tax revenue is equal to:

2% Reduction (\$580,384)

- Realized savings will not be transferred between categories.
- Prohibit unbudgeted expenditures including supplies and maintenance accounts.
- The Management Team will be required to review, monitor and control planned expenditures greater than \$5,000.
- Supplemental appropriations will not be made from budgeted savings or unappropriated fund balance.
- All carry forward requests will be carefully reviewed and approved by Finance.
- Any overtime must be pre-approved by department heads.
- Determination made and plan developed regarding utilization of sales tax stabilization fund. Utilization of sales tax stabilization funds will require Board Approval prior to implementation.

3% Reduction (\$870,576)

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

DCTA RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

4% Reduction (\$1,160,767)

- Will require Board policy decisions regarding service delivery and fund balance reserves.
- Re-evaluate any budgeted transfer to Capital Projects which is not a grant match requirement.
- The Management Team will review service level reductions, passenger fare increases, elimination of specific programs, and reduction in work force. This would require implementation of the Service Reduction Policy.
- Evaluate the 90-day Operating Fund Balance Reserve Policy and consider options for fund balance utilization or utilization of other reserve funds. Board action will be required for utilization of reserve funds.

Section II: Sales Tax Revenue Sustainable Increase

The following steps will be followed when it is determined that additional mid-year service level enhancements are necessary (above those already programmed in the annual budget) and sales tax revenue exceeds budget and prior year's actual for at least 4 consecutive months and a determination is made that sales tax revenue increase is sufficient to support sustainable service levels.

For planning purposes, recommended service level increases will be less than or equal to the available sales tax stabilization fund.

Increases in sales tax revenue may be utilized to fund:

- Direct service enhancements
- System support
- Capital Infrastructure and maintenance reserve

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

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

Service Level considerations are not limited to additional transit service hours but may include other agency or transit system support requirements.

Service Level enhancement decisions will follow annual Decision Cycle framework.

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

**NORTH TEXAS MOBILITY CORPORATION
RESOLUTION NO. 2019-N007**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION PROVIDING FOR THE ADOPTION OF THE NORTH TEXAS MOBILITY CORPORATION OPERATING BUDGET FOR FISCAL YEAR 2019-2020; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING CHANGE IN NET POSITION; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the North Texas Mobility Corporation (“NTMC”) was formed pursuant to the provisions of Subchapter D of Chapter 431 of the Texas Transportation Code; and

WHEREAS, the NTMC Bylaws require NTMC to prepare an annual budget; and

WHEREAS, the budget has been presented to the NTMC Board of Directors for review and comment; and

WHEREAS, after consideration, it is the consensus of the NTMC Board of Directors that the proposed FY 2019–2020 budget as hereinafter set forth, meets the legal and practical requirements of the NTMC for the proper and sustained operation of NTMC services and should be approved as presented;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS MOBILITY CORPORATION THAT:

SECTION 1. The NTMC Operating Budget for FY 2019-2020, including Change in Net Position, attached as Exhibit “A”, 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 the operating portion 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 2018-2019 are hereby ratified, and the budget for fiscal year 2019-2020, heretofore adopted by resolution of the NTMC 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 NTMC 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 NORTH TEXAS MOBILITY CORPORATION THE 26TH DAY OF SEPTEMBER, 2019.

APPROVED:



Raymond Suarez, Chairman

ATTEST:



Brandy Pedron, Secretary

NORTH TEXAS MOBILITY CORPORATION
 Change in Net Position - Proposed FY 20 Budget

Description	NTMC FY 2019 Working Budget (June-Sept 2019)	NTMC FY 2020 Proposed Budget
OPERATING EXPENSES		
Salary, Wages and Benefits	\$ 2,674,142	\$ 8,460,824
Services	29,154	95,040
Materials and Supplies	-	-
Utilities	-	-
Insurance, Casualties and Losses	40,408	132,636
Purchased Transportation Services	-	-
Miscellaneous	74,147	93,200
Leases and Rentals	-	-
Depreciation	-	-
Total Operating Expenses	2,817,851	8,781,700
Income (Loss) Before Transfers	(2,817,851)	(8,781,700)
Transfers Out	-	-
Transfers In	2,817,851	8,781,700
Total Transfers	2,817,851	8,781,700
CHANGE IN NET POSITION	\$ -	\$ -

NTMC RESOLUTION ADOPTING FY 2020 OPERATING AND CAPITAL BUDGET

Operating & Capital Budget FY 2020

EXHIBIT A-1

DENTON COUNTY TRANSPORTATION AUTHORITY
Change in Net Position - Proposed FY 20 Budget

Description	FY 2018 Actuals	DCTA FY 2019 Working Budget	NTMC FY 2019 Working Budget (June-Sept 2019)	Total FY 2019 Working Budget	DCTA FY 2020 Proposed Budget	NTMC FY 2020 Proposed Budget	Total FY 2020 Proposed Budget
OPERATING REVENUE							
Passenger Revenues (Bus Farebox)	\$ 552,309	\$ 433,249	\$ -	\$ 433,249	\$ 624,049	\$ -	\$ 624,049
Passenger Revenues (Rail Farebox)	562,424	447,200	-	447,200	588,272	-	588,272
Contract Service Revenue	3,416,001	4,132,383	-	4,132,383	4,416,160	-	4,416,160
Total Operating Revenue	4,530,734	5,012,832	-	5,012,832	5,628,481	-	5,628,481
OPERATING EXPENSES							
Salary, Wages and Benefits	11,137,613	10,287,136	2,674,142	12,961,278	4,996,191	8,460,824	13,457,015
Services	4,348,623	4,634,656	29,154	4,663,810	3,393,656	95,040	3,488,696
Materials and Supplies	2,508,019	3,165,045	-	3,165,045	3,307,659	-	3,307,659
Utilities	439,476	503,723	-	503,723	527,988	-	527,988
Insurance, Casualties and Losses	1,707,911	1,767,923	40,408	1,808,331	1,752,329	132,636	1,884,965
Purchased Transportation Services	8,980,451	10,342,159	-	10,342,159	10,700,706	-	10,700,706
Miscellaneous	274,071	535,869	74,147	610,016	387,237	93,200	480,437
Leases and Rentals	213,497	234,974	-	234,974	229,633	-	229,633
Depreciation	10,202,355	10,790,950	-	10,790,950	10,612,052	-	10,612,052
Total Operating Expenses	39,812,018	42,262,435	2,817,851	45,080,286	35,907,451	8,781,700	44,689,151
Operating Income / (Loss)	(35,281,283)	(37,249,603)	(2,817,851)	(40,067,454)	(30,278,970)	(8,781,700)	(39,060,670)
NON-OPERATING REVENUE / (EXPENSE)							
Investment Income	350,924	200,000	-	200,000	400,000	-	400,000
Misc. Revenues	860,988	86,761	-	86,761	52,000	-	52,000
Sales Tax Revenue	27,937,707	28,450,180	-	28,450,180	29,019,184	-	29,019,184
Federal Grants & Reimbursements	7,116,198	6,858,947	-	6,858,947	10,226,774	-	10,226,774
State Grants & Reimbursements	-	1,303,696	-	1,303,696	780,389	-	780,389
Long Term Debt Interest/Expense	(1,040,262)	(974,984)	-	(974,984)	(909,480)	-	(909,480)
Total Non-Operating Revenue / (Expense)	35,225,555	35,924,600	-	35,924,600	39,568,867	-	39,568,867
Income (Loss) Before Transfers	(55,729)	(1,325,003)	(2,817,851)	(4,142,854)	9,289,897	(8,781,700)	508,197
Transfers Out	-	(2,817,851)	-	(2,817,851)	(8,781,700)	-	(8,781,700)
Transfers In	-	-	2,817,851	2,817,851	-	8,781,700	8,781,700
Total Transfers	-	(2,817,851)	2,817,851	-	(8,781,700)	8,781,700	-
CHANGE IN NET POSITION	\$ (55,729)	\$ (4,142,854)	\$ -	\$ (4,142,854)	\$ 508,197	\$ -	\$ 508,197
Net Position - Beginning of Year:							27,142,770
Net Position - End of Year:							27,650,967
Transfer to Capital Projects							(10,282,173)
Debt Service Principal							(1,870,000)
Rail Easement Payment							(100,000)
Net Position After Capital Project Transfer							15,398,794

GLOSSARY

Actuarial 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.

Capital Improvements – An addition to the DCTA assets, including the design, construction or purchase of land, buildings or facilities, or major renovations.

Change in Net Position – The change in net position resulting from the current year activities.

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

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.

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.

GLOSSARY

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. Its' typical feature is its Power Module which is located in the center of the vehicle and which houses the entire power plant.

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

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

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

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

Metropolitan Planning Organization (MPO) - The policy board of an organization created and designated to carry out the metropolitan transportation planning process. MPOs are required to represent localities in all urbanized areas (UZAs) with populations over 50,000, as determined by the U.S. Census.

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

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

North Central Texas Council of Governments (NCTCOG) - Voluntary association of, by and for local governments, established to assist in regional planning. NCTCOG's purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.

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.

Positive Train Control (PTC) - An advanced system designed to automatically stop a train before certain accidents occur. In particular, PTC is designed to prevent train-to-train collisions, derailments caused by excessive train speed and train movements through misaligned track switches.

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

GLOSSARY

Rail Safety Improvement Act (RSIA) - United States federal law enacted by Congress to improve railroad safety. Among its provisions, the most notable was the mandate requiring positive train control technology to be installed on most of the US railroad network by 2015. In October 2015 Congress extended the deadline to 2018.

Regional Toll Revenue Funding Initiative (RTRFI) – The Texas Legislature enabled the Texas Department of Transportation to consider public and private-sector partnerships to finance roadways. The result is a completed project with a toll component and revenue for transportation projects. DCTA was awarded \$250,360,000 from the RTRFI in order to build the A-train regional rail project.

Reserves – Funds set aside for economic uncertainties.

Salary, Wages and Fringe Benefits – Expense including pay to employees for services provided, employer related taxes, employer portion of insurance benefits, employer 401 (a) contributions, sick time, and other miscellaneous pay as established by the board.

Sales Tax – A general “sales tax” is levied on persons and businesses selling merchandise or services in the city limits on a retail basis. The categories for taxation are defined by state law. Monies collected under authorization of this tax are for the use and benefit of the taxing authority.

Services – Expense consisting of labor and other work provided by outside organizations for a fee. These services could include legal expense, accounting services, management consulting, etc.

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

Budget Art by Katie Shaw



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TRANSPORTATION AUTHORITY

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