

OPERATING & CAPITAL BUDGET FY 2011

PARTNERSHIP

TRANSFORMATION

GROWTH



COMMUNITY



DENTON COUNTY TRANSPORTATION AUTHORITY
LEWISVILLE, TX

DCTA

Denton County Transportation Authority
2010-11 Operating & Capital Budget

Denton County Transportation Authority

Vision, Mission, Core Values and Goals

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

OUR VISION

Be a leader in advancing public transportation alternatives.

OUR MISSION

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

OUR CORE VALUES

Accountability

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

Commitment

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

Excellence

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

Integrity

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

Respect

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

Safety

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

OUR GOALS

- Provide mobility solutions that are safe, customer focused and efficient.
 - Provide long term financial stability.
 - Promote and encourage high performing staff and service delivery.
 - Elevate local, regional and national awareness of DCTA.
-



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Denton County Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2009

President

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, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

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

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1. AGENCY OVERVIEW



“DCTA has experienced the same financial impact, as have other agencies, from this economic downturn. The Board has spent a considerable amount of time and energy balancing the service demands and resources to provide the citizens of Denton County with the best services possible. With the opening of A-train service in the Spring of 2011 we are pleased to deliver, in the most efficient manner possible, transportation options to current and future riders, which can be provided without jeopardizing our financial stability.”

CHARLES EMERY

Board Chairman
City of Lewisville
2002-Present

“DCTA is Denton County's mobility and transportation future and it is here today!”

CHARLES CORRELL

Board Vice Chairman
Denton County Unincorporated
2002-Present

TRANSFORMATION

AGENCY OVERVIEW



Denton County Transportation Authority
1660 S. Stemmons, Suite 250 • Lewisville, TX 75067
972-221-4600 • fax 972-221-4601 • www.dcta.net

Dear Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2011 Operating and Capital Budget for Denton County Transportation Authority (DCTA). The Texas Transportation Code Chapter 460 requires the preparation of an annual budget for DCTA. This budget was created in accordance with State law and DCTA Board policy. The budget presented is a balanced budget with current revenues and reserves covering operating and capital requirements for the fiscal year.

This fiscal year represents a milestone year for DCTA. The FY11 Budget reflects the start-up of passenger rail service, the next step toward an integrated public transportation service for Denton County. It also incorporates a long-range financial model that serves as a tool to insure that the impact of operations and capital needs are evaluated beyond the current fiscal year.

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

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

It also allows the agency to move toward achieving the goals set forth in FY 2011 which include a focus on excellence by:

- ***Providing mobility solutions that are safe, customer focused and efficient***
- ***Emphasis on long-term financial stability***
- ***Promoting and encouraging high performing staff and service delivery***
- ***Elevating local, regional and national awareness of DCTA***

Since its creation in 2002, DCTA has been a goal driven agency. Each year has seen the completion of major initiatives and components of the Service Plan. Fiscal Year 2010 was no exception. Those accomplishments are detailed on pages 22 & 23 of this budget document. These include:

Budget Message cont.

- Execution of Track Access Agreement with DART to allow DCTA rail construction access to the A-train corridor along the entire 21 mile line from city of Carrollton to city of Denton
- Execution of Right-Of-Way Access Lease Agreement with DART
- Established a national presence on Federal Railroad Administration (FRA) RSAC Engineering Task Force in the development of Alternative Vehicle Technology FRA Compliance Criteria
- Completed engineering and design on the Bus Operations and Maintenance Facility. DCTA acquired 9.8 acres for the bus operations and maintenance facility site in 2009
- Bus ridership increased by 15% system wide with multiple months of record ridership on Connect, UNT Shuttle and NCTC Shuttle Services
- Issued RFP and awarded contract to begin update of long range service plan with anticipated completion in 2011
- Adopted long range financial model and key financial criteria establishing a framework for decision making related to debt issuance, service levels and long range operating impacts.

The budget process established in FY10 and continued this year is structured to allow both staff and the Finance Committee adequate time for review and analysis of the key components of the budget. The initial budget process began in March/April with the identification of agency goals and development of department objectives and performance measures. In June the Board adopted the rolling five-year cash flow model that served as the foundation for the development of the FY11 Budget. After identifying all revenue sources available to the agency in FY2011 staff began the process of developing the operating budget consistent with Board Mission and adopted goals. The final step in creating the FY 2011 budget was identifying a five-year capital plan. At their meetings in May through August, components of the proposed budget were presented in detail to the Finance Committee for review and deliberation. The Finance Committee forwarded a proposed budget to the full Board at its August meeting for Board review and public comment. The Board adopted the FY11 Budget and the updated Cash Flow Model at its September 2010 meeting.

BUDGET SUMMARY

The development of any budget is always challenging because needs for services are great and outweigh the available resources. The current economic climate with the uncertainty and volatility that lies ahead has made the development of this year's budget a challenge that has been unprecedented. The challenge for DCTA is to position itself to weather the impact of any economic downturns while at the same time, balancing the need for increased requirements to deliver a new program - passenger rail service and also maintain the needed level of bus transit services. A detailed narrative of the components that build the FY11 budget is provided on pages 31-35 of this document. Following is a brief summary:

Revenues for FY 2011 are projected at \$86.0 million, a decrease of 40% over FY10 revised budget. However an additional \$38.1 will be utilized from DCTA's unreserved fund balance for a total of \$125.1 million. DCTA received \$4.1 million in American Recovery and Reinvestment Act (ARRA) funds in 2010;

Budget Message cont.

\$1.9 million is programmed into the FY11 budget. Receiving the ARRA funds allowed the agency to reprogram existing federal formula funds to different project needs. Another major revenue source for DCTA is sales tax. In the current economy, it has proven very volatile. Sales tax is budgeted at a 2% increase (based on actuals as of May 2010 + remaining 2010 budget), resulting in a \$566,000 increase in sales tax revenue projected for FY11.

The expenditure portion of the budget is comprised of operating and capital expenditures. Total expenditures are budgeted at \$125.1 million for the FY11 budget, with capital making up 79%. Operating expenses total \$25.5 million and reflects an increase of \$13.6 million or 54% over the previous period. The major increases in the expenditure portion of the budget are due to the start of A-train passenger rail service scheduled to begin in June 2011:

- \$7.2 million is budgeted for mobilization and start of contracted service for train operations, dispatch and related maintenance service for the A-train.
- \$603,000 of the just over \$1.0 million for the lease of rail diesel cars from DART pending delivery of DCTA's new rail vehicles in 2012.
- No Expanded Level Projects were approved in the FY11 budget.
- Fuel is budgeted at \$3.25 per gallon and accounts for the majority of the \$144,000 increase in Materials and Supplies category compared to revised FY10.
- Decrease of \$161 thousand in annual debt service expense due to a refunding of the 2008 bond issuance
- 3% merit pay (pay for performance for DCTA employees) is included in this budget. This is an increase of approx. \$22.3 to allow for merit pay based on employee performance evaluations. In FY10 no merit pay was budgeted.
- An increase of 10% in health care benefits based on anticipated increase in costs, resulting in an \$90 thousand increase over FY10
- No pay plan market adjustment is included in the FY11 budget. However a market range survey will be conducted every two years to insure DCTA maintains a competitive position. Adjustments to the pay range will be budgeted as needed and adjustments to the pay ranges will be based on results of the bi-annual market survey. In FY10 a pay plan market adjustment was budgeted based on a review of competitive market ranges. This is the first year to begin adjustments for those positions that fell below the mid-point of the market range.

Capital projects represent a significant investment by DCTA in developing and maintaining the agency's equipment and infrastructure. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements planned in subsequent years and allows staff to identify alternative funding sources as well as anticipated operating impact well in advance. DCTA is anticipating spending \$98.8 million in capital expense in FY11, which is a \$29.8 million decrease over the FY10 revised budget. Based on current

Budget Message cont.

construction schedules, DCTA is planning to expend \$96 million for the A- train project. This reflects the anticipated completion of the rail line and facility construction by 4Qtr of FY11. The remaining \$2.8 million will be used for a number of bus and technology related capital projects that have been identified.

This budget continues our commitment to respond to customers' needs with quality service while striving to achieve the Service Plan goals to improve transportation for the county and region; maintain and improve Denton County's quality of life; and promote economic development. DCTA will continue providing cost effective transportation alternatives to our customers, reducing congestion, improving air quality and bettering the quality of life in Denton County.

Sincerely,



Jim Witt
Chief Executive Officer



Anna Mosqueda
V-P Finance/CFO

Board of Directors

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



Board Chairman
Charles Emery
City of Lewisville



Board Vice-Chairman
Charles Correll
Denton County Unincorporated



Board Secretary
Dorothy Palumbo
City of Highland Village



Board Treasurer
Jeff Snowden
City of Frisco



Board Member
Dave Kovatch
City of The Colony



Board Member
Skip Kalb
Small Cities



Board Member
Pat Howell
City of Corinth



Board Member
Doug Peach
City of Little Elm



Board Member
Thomas Smith
Denton County At Large



Board Member
Jim Robertson
City of Flower Mound



Board Member
Guy L. McElroy
City of Denton



Board Member
Tom Spencer
Small Cities

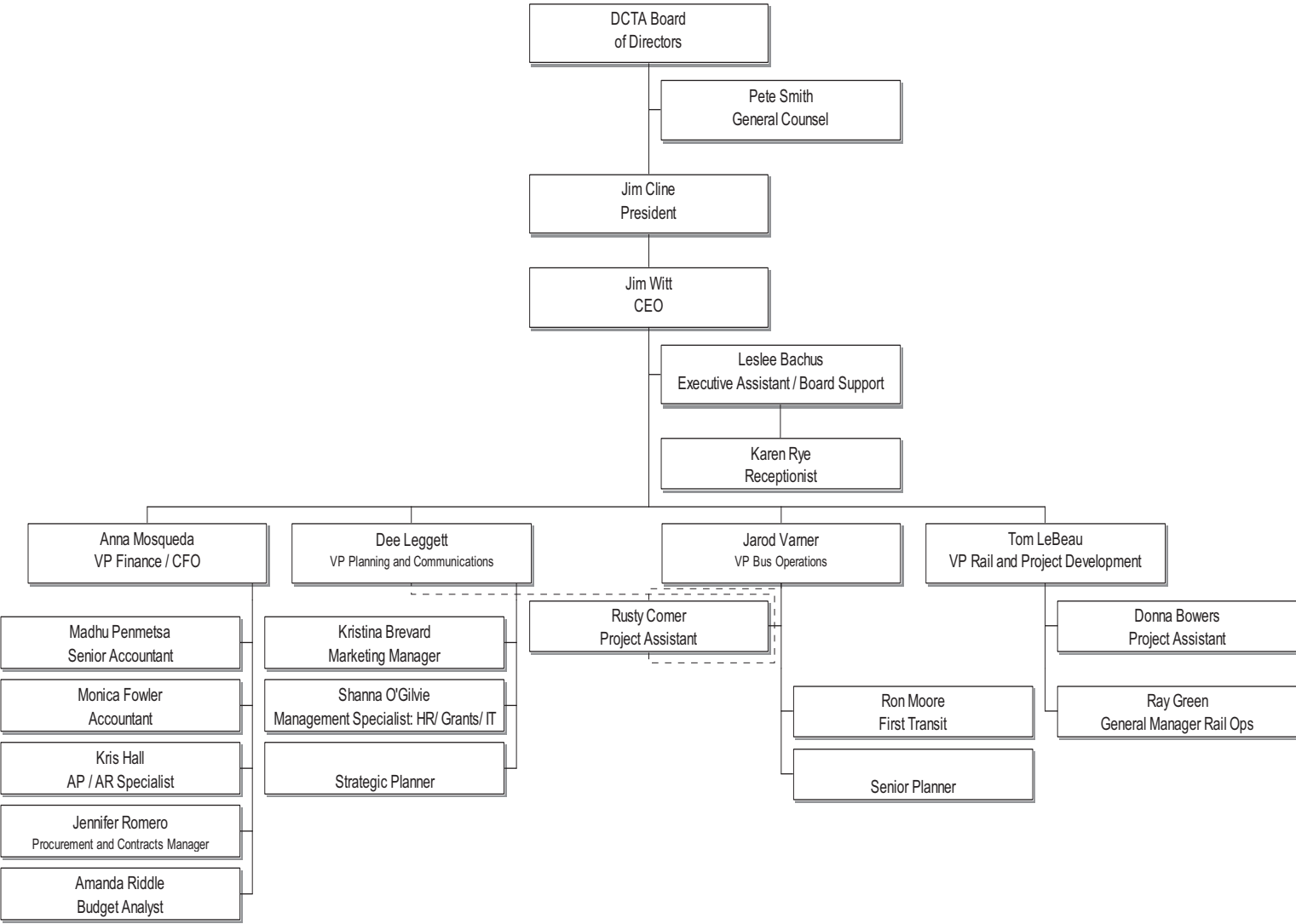


Board Member
Bill Walker
Small Cities

Board Member
Vacant

Denton County Unincorporated

DCTA ORGANIZATION CHART



DCTA AT A GLANCE

Denton County Transportation Authority serves the people of Denton County by providing public transportation and mobility options to our customers. We meet our customers' many needs, whether it's a quick trip within a single city, a longer trek between local cities or comfortable and affordable passage to Downtown Dallas.

DCTA is a Coordinated County Transportation Authority as defined in Chapter 460 of the Texas Transportation Code. DCTA is granted power under this Texas law to plan, develop, acquire, construct, own, operate, and maintain a public transportation system in Denton County. The powers and duties exercised by DCTA and the Board of Directors are impacted by numerous federal and state laws and regulations. The Authority began in 2002 with the vision of building a complete and cost-effective transportation system for Denton County, one that would provide transportation alternatives to our customers. Each year that vision has come closer to reality.

The legislation authorizing DCTA's creation required that a Service Plan be developed by the Authority. The Service Plan was submitted to the voters of eight cities in Denton County on September 13, 2003, for consideration and approval of a one-half percent sales and use tax. The election was successful in the cities of Denton, Highland Village, and Lewisville. These three cities accounted for approximately 80% of the sales tax revenue in the county. Imposition of the sales and use tax, dedicated to the Authority for implementation of the Service Plan, began January 1, 2004.

We have accomplished many goals by following a Service Plan that functions as the foundation of our organization. Our Service Plan consists of many pieces that, when combined, form the complete picture. A large and important piece of our plan is regional rail, which soon will link riders from Denton County to Dallas Area Rapid Transit (DART) light rail. The other main piece of the Service Plan is bus service, which itself is divided into several parts, including an interim regional commuter bus service, a local fixed-route bus service, a university shuttle service, and a demand-response service.

A YEAR OF PROGRESS

DCTA has made great progress in the past year, accomplishing many goals of the Service Plan while looking ahead to substantial achievements in the near future.

RECORD RIDERSHIP

The system as a whole has experienced continued ridership growth in the time since DCTA assumed existing bus service in 2005. The number of total annual passenger trips has jumped more than 85 percent from 1.27 million in 2005 to 2.33 million in 2010. The Connect fixed-route service, in particular, has seen marked increases since its implementation in 2008. Increased ridership is a direct reflection of the 2009 system improvement program, which included additional bus stops, routes, shelters, signage, and improved schedules.

BUS OPERATIONS

DCTA bus service has grown and seen significant progress as a result of planned changes and improvements. In March 2010, DCTA and the City of Denton broke ground on the Downtown Denton Transit Center and adjacent A-train station. This transit facility creatively reuses an existing City of Denton building near downtown. Half of the center will provide a public waiting area for transit passengers, a ticket office and kiosk, restrooms, retail space to be finished out by the private sector, and an outdoor performance venue for local musicians and artists. The remainder of the facility will include office space for DCTA bus operations as well as training and public meeting rooms. The Downtown Denton Transit Center is expected to be completed in January 2011.

In another big step forward, DCTA finalized plans and procured the land for the new Bus Operating and Maintenance Facility located in Denton. This represents a substantial improvement for the organization as the facility will better accommodate operations and maintenance needs for the fleet of 75 buses and vans. The new facility, scheduled for construction in 2015, will be located on 15 acres near Teasley and Shady Oaks and will replace the current leased facility located off of Mayhill Road.

In its quest to continually improve service, DCTA expanded local routes in 2009, decreasing passenger wait time and providing additional buses to more destinations. Enhanced service was also implemented through the UNT and TWU campuses. The Authority also improved the user-friendliness of Commuter Express by adding mid-day service and more stops in Downtown Dallas.

DCTA Connect passengers are more comfortable than ever thanks to new transit shelters. In late 2009, DCTA completed installation of 13 bus shelters in Lewisville. Equipped with benches, these shelters were placed at major retail centers in Lewisville as well as along Southwest Parkway where there is high concentration of travel. The Denton Connect route is scheduled to receive 26 shelters in 2010. All bus shelters will be installed in accordance with the Americans with Disabilities Act (ADA) and are accessible by all passengers, including those with mobility devices.

A-TRAIN REGIONAL RAIL

The A-train regional rail project reached several milestones that will allow it to offer full passenger service in 2011. In May 2009, DCTA entered into a construction service agreement with North Texas Rail Group for the construction of the A-train infrastructure. In the same month, the Authority signed an agreement with Stadler to provide 11 Diesel Multiple Unit (DMU) rail vehicles for the A-train system.

The first DMU's are scheduled for delivery in 2012. The DMU rail vehicles will sport a lively white, blue, and green paint job with touches of silver and yellow that is complimentary to the existing bus fleet design. The A-train logo, in blue and yellow, graces the sides of the vehicles.

Services and Activities

While improvements to the track were getting underway, DCTA made vast progress on other vital projects related to the A-train. During the last year, the agency acquired 34 acres for the five rail stations along the corridor, and it finalized site selection for the future Rail Operations and Maintenance Facility in Lewisville. Construction has begun on all five of the rail stations.

In 2010, DCTA will continue adding amenities to improve the passenger experience and expanding transit alternatives by planning for future service opportunities. DCTA is planning bus feeder routes that will connect Authority's five stations with important destinations throughout its service area and expand regional travel opportunities for the Authority's bus and rail passengers.

THE FUTURE OF A-TRAIN

The development of the A-train service and the related bus capital expenditures represent a major investment in the Denton County economy and according the University of North Texas Center for Economic Development and research will generate over \$413 million in local economic activity over the next four years. This level of economic activity will support over 3,400 person-years of employment paying in excess of \$73 million in salaries, wages, and benefits. Local property income in the form of rents, royalties, dividends, and corporate profits will increase by \$31 million. Finally, the business transactions associated with the impacts of DCTA construction spending will generate about \$7 million in revenue for state and local taxing entities.

In total, projected capital spending by DCTA from 2008 through 2012 is expected to exceed \$376 million, creating over \$451 million in economic activity. This activity will support almost \$80 million in labor income from the creation of over 3,700 person-years of employment. Property income will rise by a total of \$34.2 million. Finally, state and local taxing entities will enjoy about \$7.7 million in new revenues from sales and use taxes, property taxes, and license and permit fees.

DCTA is looking beyond the A-train implementation and its other near-term capital projects by preparing for the future needs of Denton County. DCTA has begun an update to the Authority's Service Plan. This update will allow DCTA to gain a better understanding of the mobility needs facing Denton County communities over the next 25 years. This understanding will enable DCTA to outline near-term service priorities based on those needs and the Authority's financial limitations. Additionally, the plan will identify future corridors warranting transit service and recommendations for potential transit applications in those corridors. The updated plan will be available in Spring 2011.

SERVICES

REGIONAL RAIL SERVICE: A-train

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

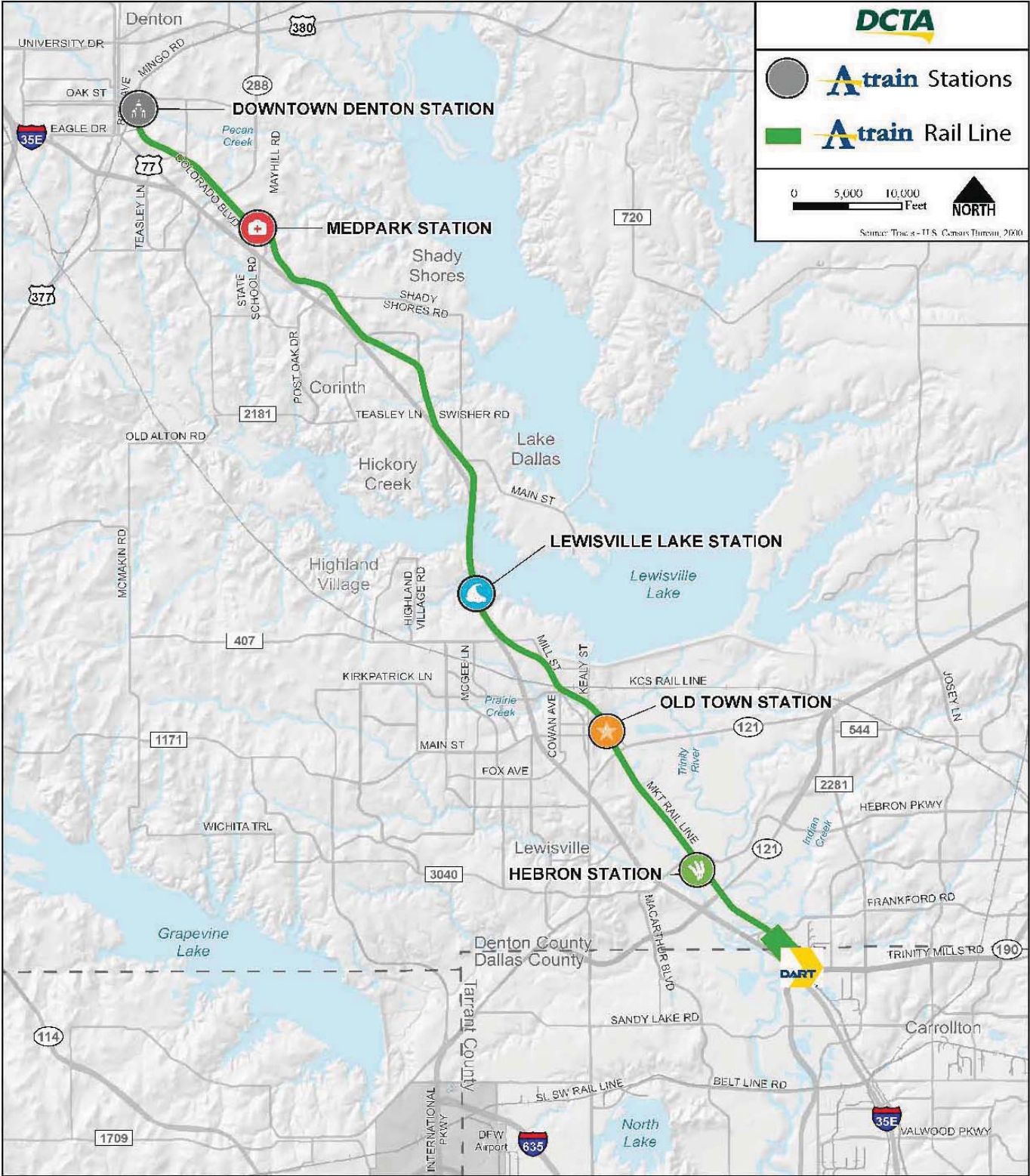
The culmination of many years of planning and construction will be the A-train, DCTA's regional commuter rail system connecting Denton County with DART light rail transit facilities. Initially, passengers will transfer onto DART at the DCTA Trinity Mills station in Carrollton. Eventually, DCTA hopes to provide future regional connection opportunities further south. The project includes a 21-mile regional rail line with five stations, enhanced railroad crossings, 11 Diesel Multiple Unit (DMU) rail vehicles, and a rail vehicle maintenance facility.

The A-train will run along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate 35E. This regional rail line will include an adjacent bicycle and pedestrian path to provide even further transportation options for the people of Denton County.

The massive undertaking to plan and construct this regional rail service was initiated in May 2006 with the selection of the MKT line as the route. In 2008, the project was environmentally cleared and the Regional Transportation Commission approved funding for the rail line and trains. In June 2009, construction began on the project, which has since included replacement miles of track, construction of sound walls, improvements at railroad crossings as well as construction and development work on rail stations and site selection for the Rail Operations and Maintenance Facility in Lewisville.



Service Area Map – A-train



DCTA's bus service gives passengers many options for getting where they need to go within their cities, and it offers connections several opportunities for those desiring to travel beyond local destinations.

REGIONAL FIXED - ROUTE BUS SERVICE:

Passengers can ride DCTA's Commuter Express for direct service from Denton and Lewisville to the Dallas Central Business District. This interim service will be replaced by the A-train in mid-2011, but until then, Commuter Express operates five days a week, using the highway's high-occupancy vehicle (HOV) lanes to ensure rapid transit. Started in May 2006, this comfortable coach service stops at popular destinations throughout the Dallas Business District and offers connections to DART bus and rail lines. People in Dallas, Carrollton, Highland Village and Lewisville use the reverse trip to reach Denton destinations, including downtown, the University of North Texas (UNT) and Texas Woman's University (TWU). Commuter Express provided 110,000 passenger trips in 2010.



LOCAL FIXED - ROUTE SERVICES:

Passengers are getting connected to more destinations within Denton and Lewisville via DCTA Connect, the Authority's fixed-route service. And in Highland Village and North Lewisville, people are using the new Connect RSVP on-demand service to go places and connect to other DCTA transit solutions. These services provided almost 350,000 passenger trips in 2010.

In Denton, passengers travel any of eight routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including UNT, TWU, and



Services and Activities

elementary, middle, and high schools.

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

The DCTA Connect RSVP service provides peak-hour on-demand transportation in Highland Village and north Lewisville. Destinations include local shopping centers, grocery stores and key employment centers. Passengers can transfer from Connect RSVP to Lewisville Connect routes and Commuter Express.



SHUTTLE ROUTES:

With DCTA's UNT shuttle service, more than 15,000 UNT students, faculty, staff, and visitors each day enjoy transportation from nearby apartment complexes to the campus, as well as circulation throughout the campus. In 2010, over 1,800,000 passengers chose transit over fighting for parking places and campus congestion. Passengers can transfer from the UNT Shuttle routes to Connect, the NCTC Shuttle and Commuter Express.

A new service to DCTA is a shuttle connecting North Central Texas College (NCTC) in Corinth to Denton and Lewisville. Passengers may transfer to and from other DCTA services in Denton and Lewisville.



Both university shuttle services are open to the public with the appropriate fare.

DEMAND RESPONSE SERVICE:

The DCTA Access service offers curb to curb ADA Paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access services zones. ADA paratransit service is provided by DCTA for



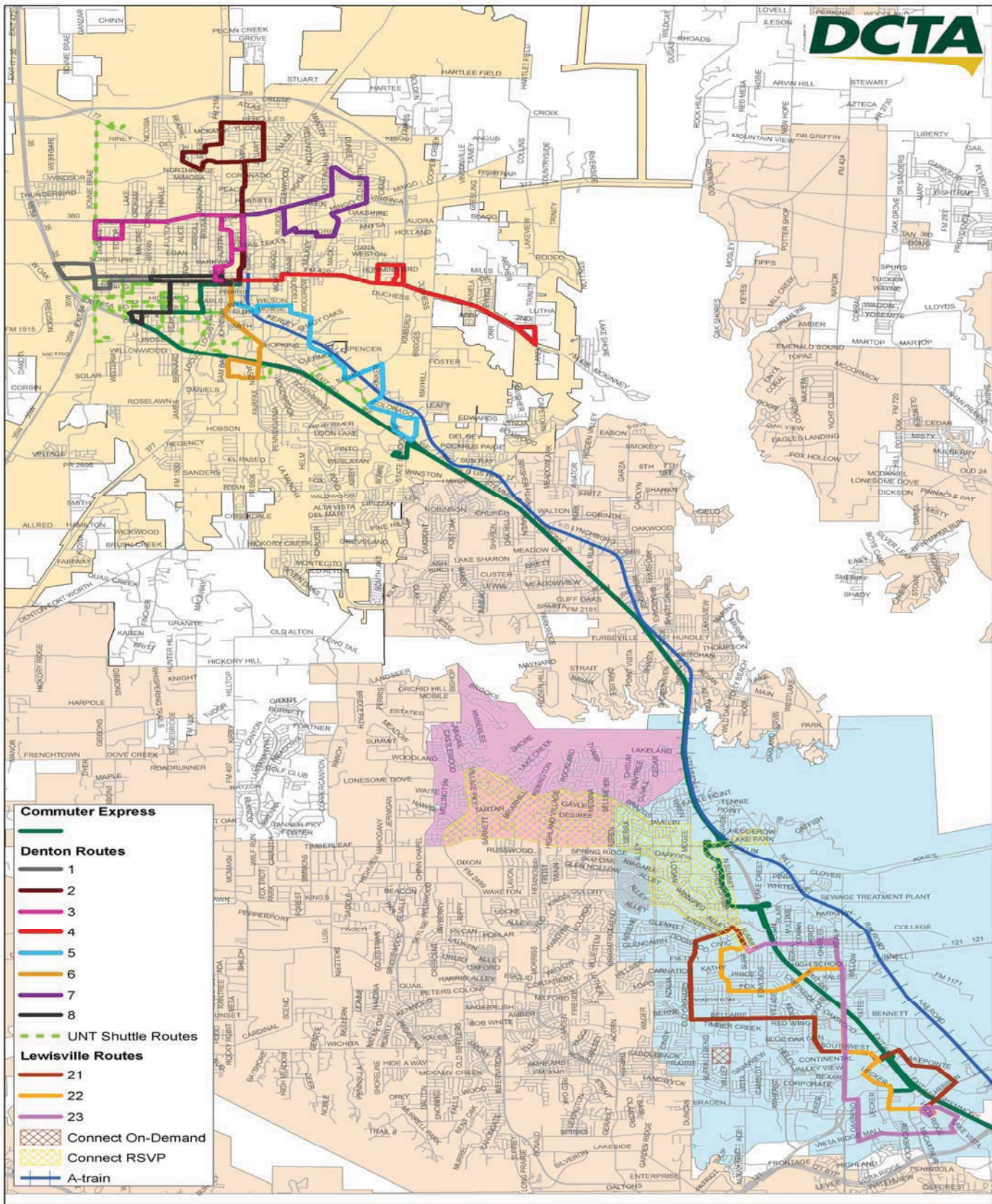
Services and Activities

customers traveling within $\frac{3}{4}$ -mile from the Connect local fixed-routes and is available to those with Americans with Disabilities Act eligibility. Reservations are accepted up to seven days in advance.

VANPOOLS:

Vanpools are DCTA's new way of providing a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of six to 15 people and provide customers a way to reduce stress, help the environment and save money. Individuals who live or work in Denton County can start a vanpool through their employer or create one with others who have similar commute origins and destinations. DCTA provides funding for half of all vanpool costs, providing a low cost commuting alternative. Additionally, DCTA will assist interested commuters with finding an active vanpool in their area.





2. OPERATING BUDGET SUMMARY

“The county-wide partnership of citizens that created DCTA recognized that an efficient public transportation system was critical. Regardless of differences, we shared a common vision - clean air and an efficient, equitable and responsible public transportation system. The start-up of A-train service builds on a solid bus service and is an excellent next step toward an integrated transportation network for Denton County.”

DOROTHY PALUMBO
Board Secretary
City of Highland Village
2005-Present

TRANSPORTATION

“We will continue to be effective and frugal stewards of the public’s dollars.”

JEFF G. SNOWDEN
Board Treasurer
City of Frisco
2005-Present



OPERATING BUDGET SUMMARY

BASIS OF BUDGETING

The Texas Transportation Code Chapter 460 requires DCTA to prepare an annual budget. The budget is a policy tool used by staff and the Board of Directors to establish goals and deliver the services defined in the Service Plan. The budget is the foundation for the long range Service Plan goals and is a building block for the DCTA long range financial model. The long range financial model is an important planning tool used to evaluate DCTA's financial strengths and weaknesses, prioritize goals, and evaluate options. Staff presents the budget as a financial expression of current goals, objectives for the coming year, and a snapshot view of capital needs for the following four years.

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. Finally, the budget communicates our strategic plans to expand service and launch new service. Included in the current budget are the plans to develop and launch the rail service. The budget and strategic plan help to keep the various departments centered on the goals and plans laid out before them.

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

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

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

BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES

DCTA is accounted for as a single entity enterprise fund and required to report financial results in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) guidance. Enterprise Funds account for operations that are financed and operated in a manner similar to private business. The intent of DCTA is that the costs (expenses, including depreciation) of providing transit services to the general public will be financed through a combination of farebox revenue, sales tax, and other grants. The governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. DCTA uses the accrual basis of accounting for the audited financial statements, external reporting, and internally for budgeting. Under this method, revenues are budgeted in the period that they are earned and expenses are budgeted in the period in which the liability or benefit is expected.

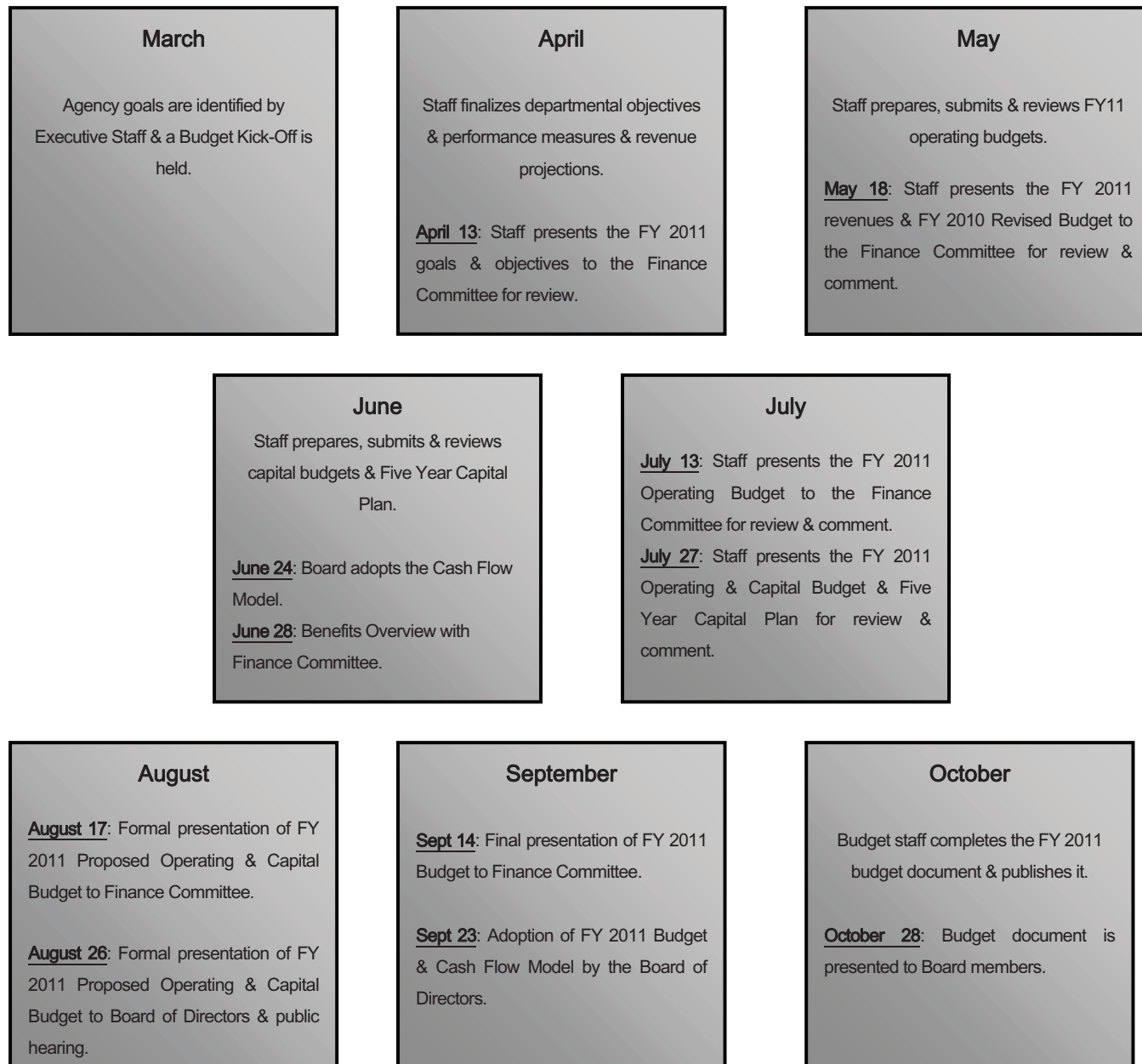
BUDGET PREPARATION

DCTA made considerable changes in FY11 to the annual budget process in order to develop a more comprehensive budget. Development of a comprehensive operating and capital budget requires a very active and participative process between DCTA staff, Board and the public. The development process is outlined below:

1. **Goals, Objectives and Performance Measures**
Development of overall agency goals and corresponding department objectives and performance measures for the upcoming fiscal year.
2. **Cash Flow Model Adoption**
Board of Directors adopts a rolling five-year cash flow model that serves as the foundation of the budget.
3. **Revenue Projections**
Staff identified the revenue sources needed to accomplish the target objectives, activity and performance measures outlined for the fiscal year.
4. **Operating Expenses and Expanded Level Projects**
The base operating budget which maintained the current service level was identified. Any new projects, plans for expansion, or increased service delivery that was above and beyond current service level were proposed as an Expanded Level Project. These are expenses that are generally classified as “one-time” or “out of the ordinary” expenses. Once all of the Expanded Level Projects are identified and ranked, executive staff reviewed all requests and determined which projects would facilitate the agency’s needs and will be included in the operating budget.
5. **Capital Budget and Five Year Capital Plan**
The final step in completing the budget was determining the capital budget and Five Year Capital Plan for the agency which is consistent with the previously established agency goals and community needs, both current and future.

BUDGET CALENDAR

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



FISCAL YEAR 2010 ACCOMPLISHMENTS

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

- Appointed a new President in March 2010
- Successfully negotiated and executed the DART/DCTA Track Access Agreement resulting in DCTA's rail operational access to the A-train corridor from the City of Carrollton to the City of Denton
- Began negotiations with University of North Texas regarding new service agreement
- Completed Board Retreat
- Completed Executive Staff Retreat
- Developed the DCTA Vanpool program
- Installed thirteen (13) passenger shelters in the City of Lewisville greatly improving the comfort of Connect passengers
- Procured and began the implementation of an improved Access Service scheduling software intended to improve service efficiency and manage costs.
- System wide ridership increased by 15% and DCTA experienced multiple months of record ridership on Connect, UNT Shuttle and NCTC Shuttle services.
- Twenty (20) individual Transition Travel Trainings were provided to Access riders in order that they might be able to utilize DCTA fixed route service. Four (4) passengers have successfully begun to utilize DCTA fixed route services.
- Successfully implemented Connect service changes which have produced record ridership
- Substantially completed the design of a permanent Bus Operations and Maintenance Facility
- Successfully implemented service changes related to modifications to the Access Service Policies and Procedures
- Guaranteed Maximum Price (GMP) cost reductions due to redesign effort has resulted in significant savings related to the A-train guideway construction project.
- Successfully facilitated the DART/Denton Right-of-Way Agreement
- Established DCTA as a national presence in FRA RSAC Engineering Task Force in the development of Alternative Vehicle Technology FRA Compliance Criteria
- Successfully negotiated the Stadler Contract Modification to incorporate Alternative Vehicle Technology FRA Compliance in the DCTA GTW vehicles, which gives DCTA regional vehicle operational flexibility
- Developed a market-based compensation plan
- Began an update to the long-range service plan
- Received the TEAM award from the North Texas Commission for excellence in mobility services
- Received two grants through the Statewide Transportation Enhancement Program
- Secured a New Freedoms grant to conduct a Transition Travel Training

Fiscal Year 2010 Accomplishments

- Published agency's first Community Report
- Began a rail safety education program entitled Rail Ready
- Marketing campaigns were recognized with awards by both SWTA and APTA
- Partnered with DART and The T on a region-wide ozone awareness campaign
- Developed the Go Guide, a new and improved format for passenger information
- Developed an Advertising Policy and Program allowing for advertising at DCTA facilities and on DCTA fleet
- Developed a Concessions Policy
- Formed the New Revenue Committee to assist the agency with the identification of alternative revenue sources
- Registered DCTA routes on Google Transit and Route Shout (Bus Operations)
- Inter-Local Agreement established with DART to facilitate joint procurement process as opportunities arise
- Received an unqualified audit opinion with no material findings for fiscal year 2009
- Received the Government Finance Officers Association Distinguished Budget Award for the FY10 Budget which garners local and regional awareness for DCTA
- Successfully refunded the 2008 bond issue eliminating restrictive bond covenants
- Implemented use of electronic wire transfers for large dollar payments
- Implemented a return check procedure to improve collection of returned checks
- Long range Cash Flow Model and key financial criteria adopted by the Board of Directors establishing a framework for decision making and service levels
- Refined Five Year Capital Planning process and monthly budget to actuals monitoring of capital projects
- Adopted a Fraud Policy, consistent with GFOA Recommended Best Practices
- Completed revision of Purchasing Policies Manual
- Developed Contracts Database to improve availability and access to current contracts and contract information

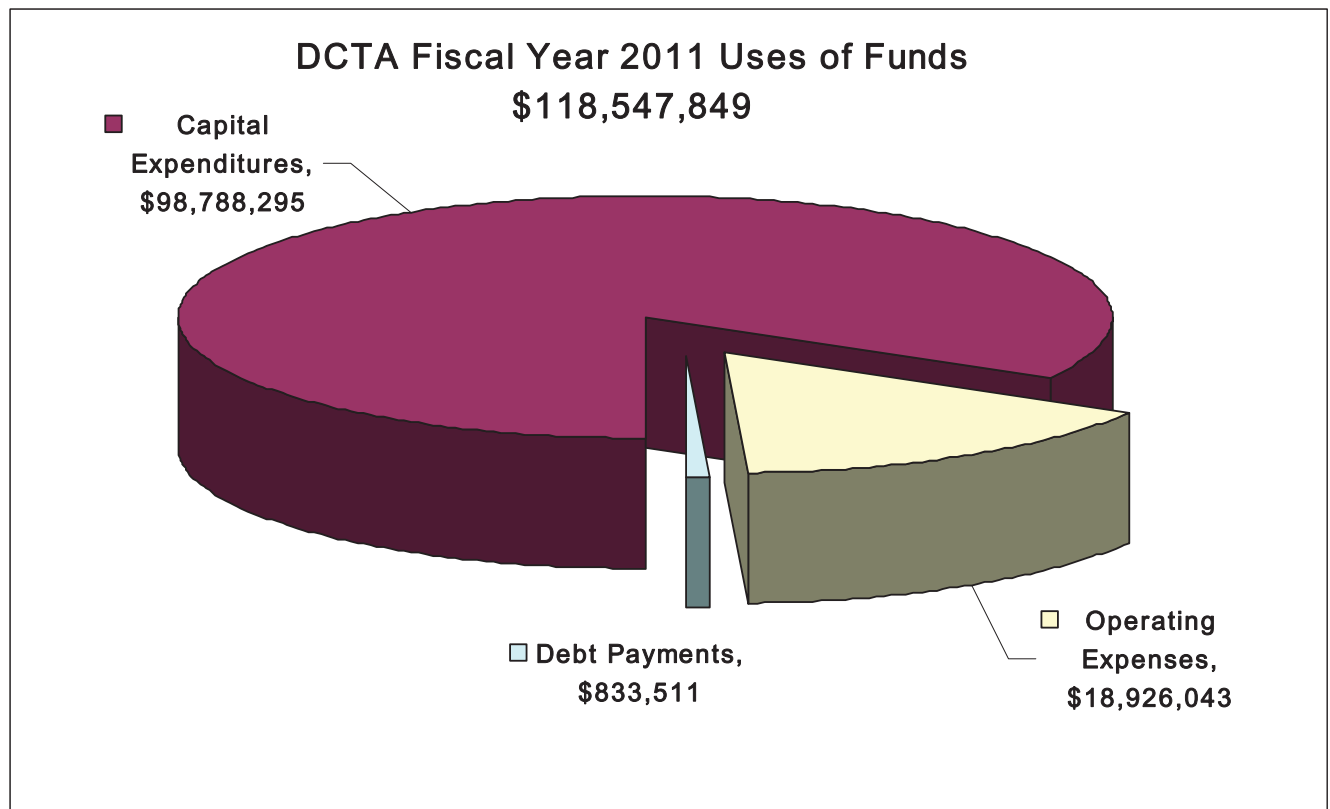
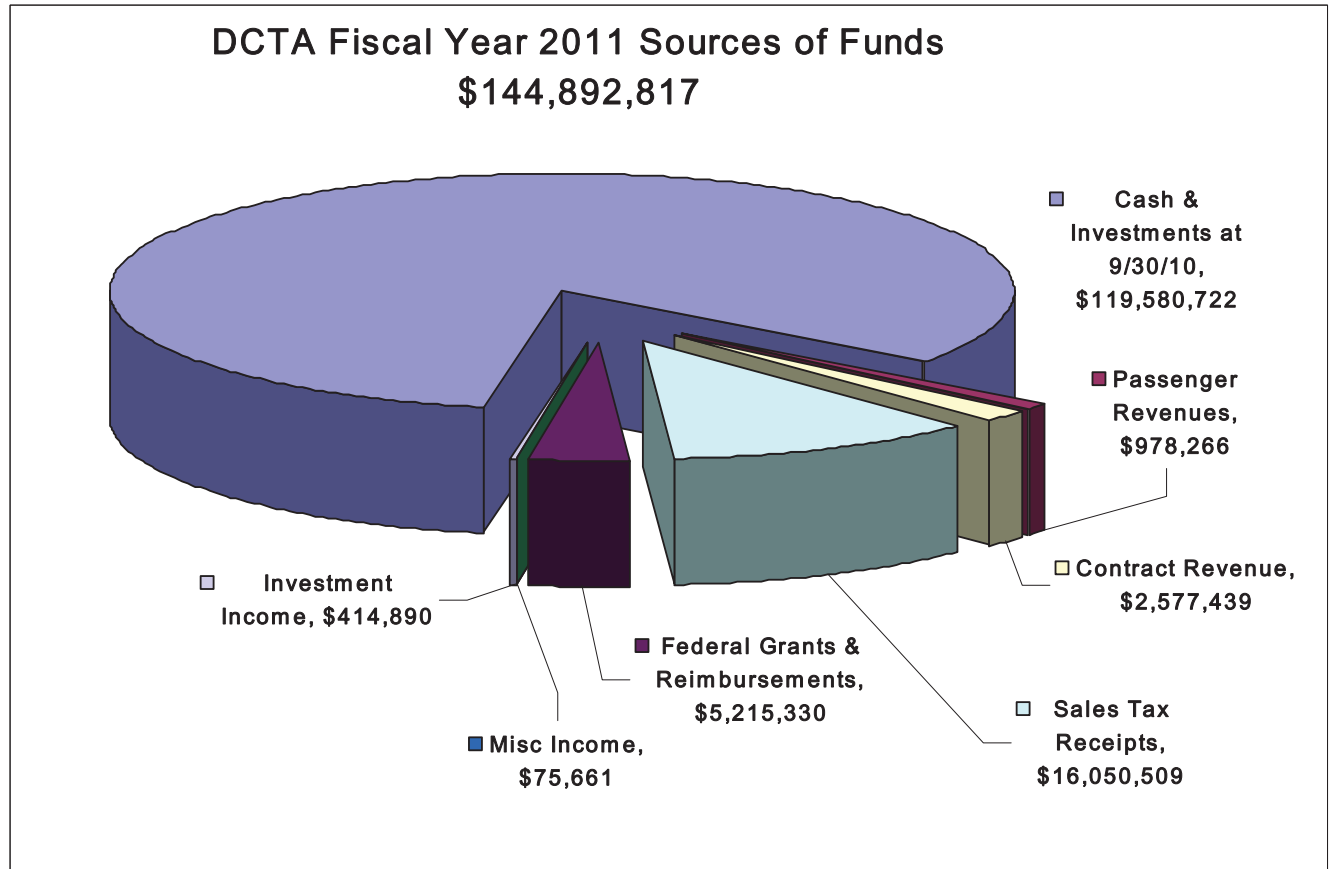
Change in Net Assets – Budget Basis

	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
Operating Revenues				
Passenger Fares	\$ 415,583	\$ 451,462	\$ 451,462	\$ 978,266
Contract Service Revenue	2,151,402	2,509,862	2,489,422	2,577,439
Other Revenues	34,650	27,611	12,190	-
Total Operating Revenues	\$ 2,601,635	\$ 2,988,935	\$ 2,953,075	\$ 3,555,706
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 5,377,643	\$ 6,349,148	\$ 6,249,147	\$ 6,394,089
Services	1,113,057	3,658,577	1,933,228	8,966,776
Materials & Supplies	1,383,677	2,357,859	1,874,616	2,018,237
Utilities	72,712	77,820	77,820	112,416
Insurance, Casualties & Losses	403,329	360,876	360,876	361,248
Miscellaneous	145,079	183,960	185,260	181,003
Leases & Rentals	323,369	1,661,820	325,800	892,265
Depreciation	1,039,436	933,231	933,232	6,566,380
Total Operating Expenses	\$ 9,858,301	\$ 15,583,292	\$ 11,939,979	\$ 25,492,414
Operating Income / (Loss)	\$ (7,256,667)	\$ (12,594,357)	\$ (8,986,904)	\$ (21,936,708)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 15,666,457	\$ 14,882,361	\$ 15,474,651	\$ 16,050,509
Net Investment Income / (Expenses)	335,979	393,173	97,291	414,890
Long-Term Debt Interest / (Expense)	(22,700)	(1,337,769)	(994,637)	(833,511)
Non-Operating Revenues / (Expenses)	(321,874)	-	14,877	75,661
Federal Grants & Reimbursements	1,251,282	10,037,627	4,717,181	5,215,333
State Grants & Reimbursements	63,543,494	137,931,622	121,019,742	60,706,246
Debt Issuance	-	7,000,000	-	-
Total Non-Operating Revenue	\$ 80,452,638	\$ 168,907,013	\$ 140,329,105	\$ 81,629,128
Increase in Net Assets	\$ 73,195,971	\$ 156,312,656	\$ 131,342,200	\$ 59,692,420
Net Assets - Beginning of Year:	\$ 44,035,027	\$ 37,531,819	\$ 37,531,819	\$ 40,298,571
Net Assets - End of Year:	\$ 117,230,998	\$ 193,844,476	\$ 168,874,020	\$ 99,990,990
<i>Transfer to Capital Projects</i>	<i>\$ 79,699,179</i>	<i>\$ 149,860,143</i>	<i>\$ 128,575,449</i>	<i>\$ 98,788,295</i>
Net Assets After Capital Project Transfer	\$ 37,531,819	\$ 43,984,333	\$ 40,298,571	\$ 1,202,695

Statement of Cash Flows

	FY 2010	FY 2011
Estimated Beginning Cash Balance	234,430,234	119,580,722
Operating Activities		
Operating Revenue	\$ 2,953,075	\$ 3,555,705
Sales Tax Revenue	15,735,793	16,050,509
G&A Operating Expenses*	(2,984,896)	(3,003,318)
Rail Operating Expenses*	(417,534)	(8,212,095)
Contract Bus (TMDC) Operating Expenses*	(7,221,835)	(7,710,630)
Total Operating Activities	\$ 8,064,603	\$ 680,171
Investing Activities		
G&A Capital Expenditure	\$ -	\$ (86,693)
Rail Capital Expenditure	(125,286,365)	(96,190,930)
Bus Capital Expenditure	(3,289,084)	(2,510,672)
Non-Operating (Expense)/Income	902,502	75,661
Investment Income	583,768	414,890
Federal Grants & Reimbursements	5,091,823	5,215,330
Total Investing Activities	\$ (121,997,356)	\$ (93,082,414)
Financing Activities		
Debt Issuance	\$ -	\$ -
Debt Payment	(916,759)	(833,511)
Total Financing Activities	\$ (916,759)	\$ (833,511)
Net Increase (Decrease) in Cash	\$ (114,849,512)	\$ (93,235,754)
Estimated Ending Cash Balance	\$ 119,580,722	\$ 26,344,968

* Operating expenses net of depreciation expense



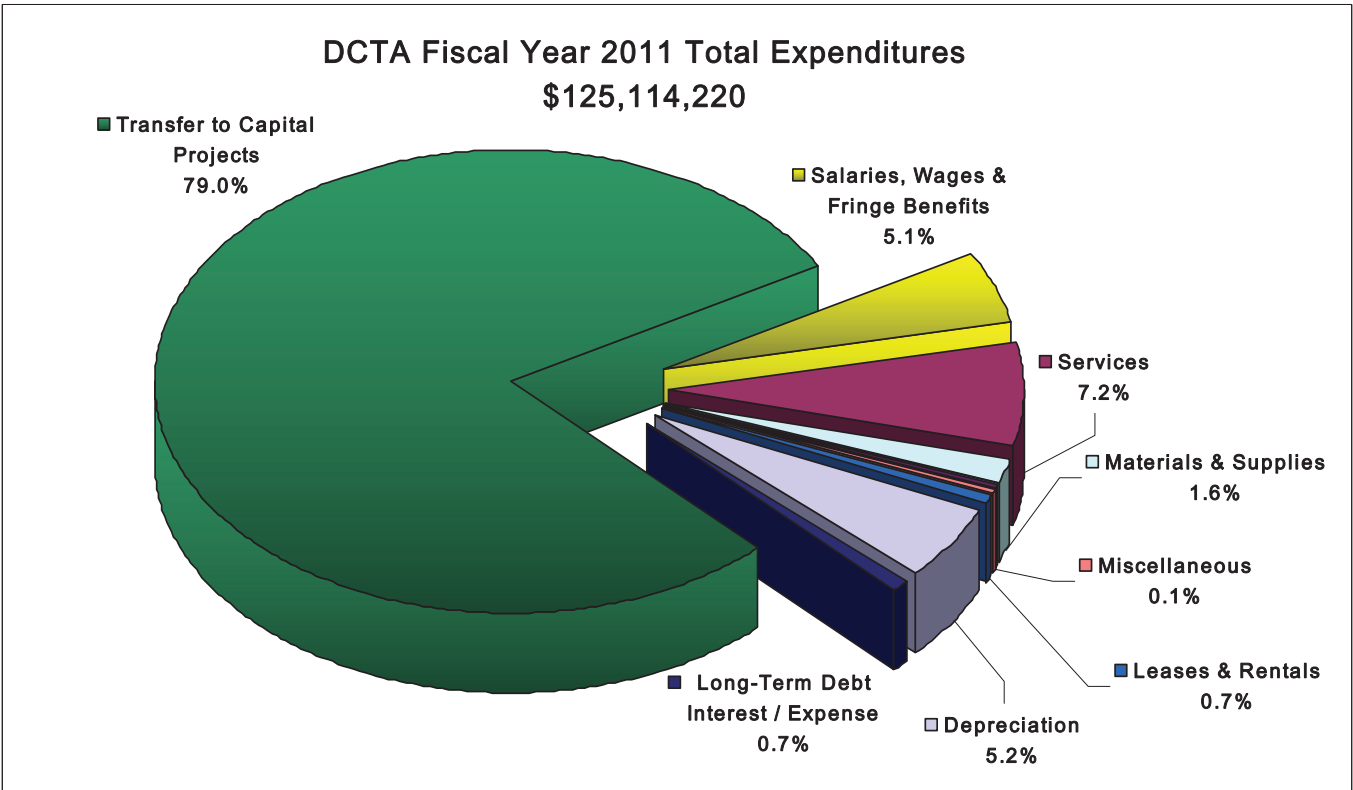
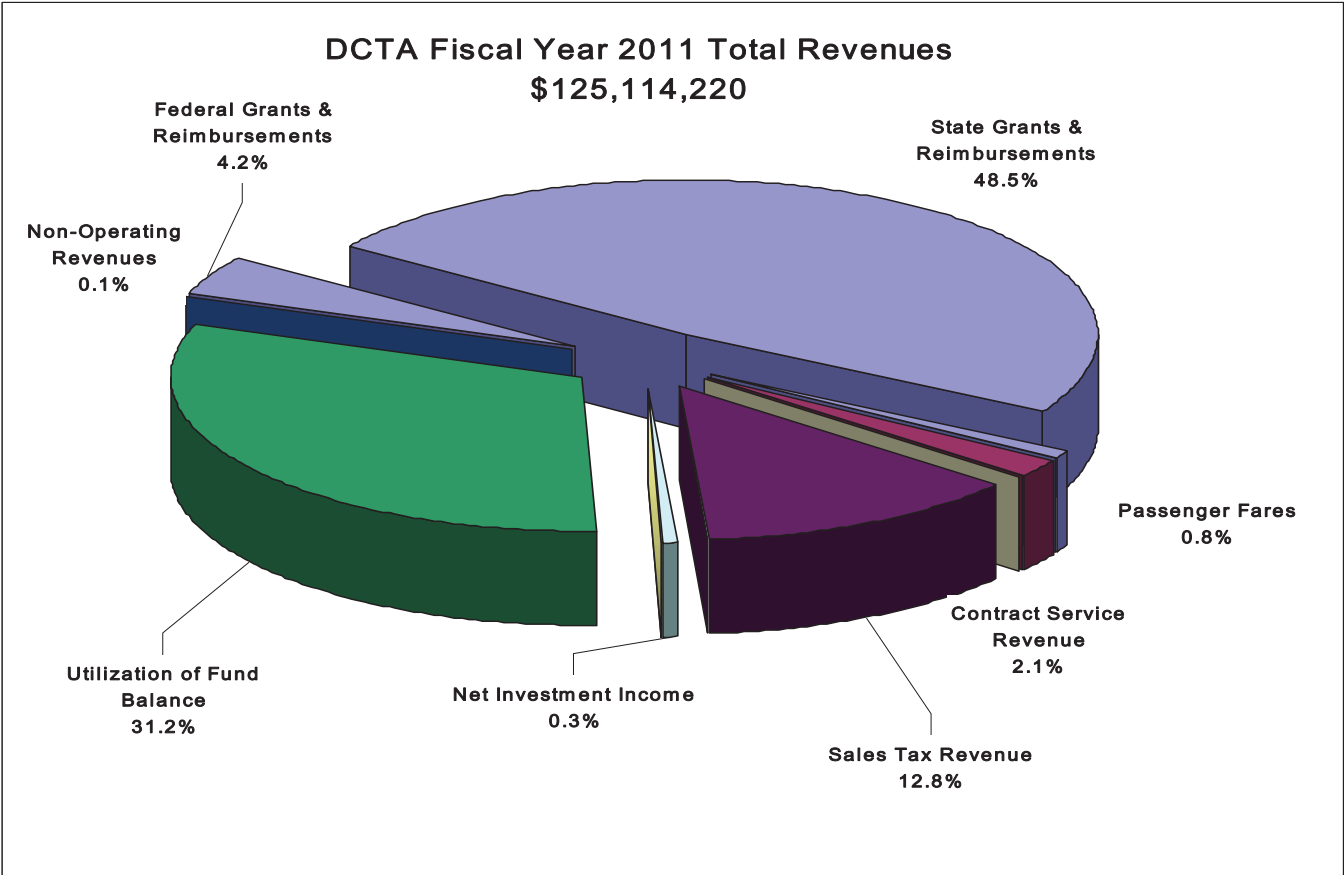
Operating Budget by Classification

SUMMARY (millions)

	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget	% CHANGE FY 11 to FY 10 Rev Budget
TOTAL REVENUES	\$ 83.5	\$ 173.2	\$ 144.3	\$ 86.0	-40.4%
TOTAL EXPENSES	90.0	166.8	141.5	125.1	-11.6%
ANNUAL SURPLUS (DEFICIT)	\$ (6.5)	\$ 6.4	\$ 2.8	\$ (39.1)	-28.8%

DETAIL

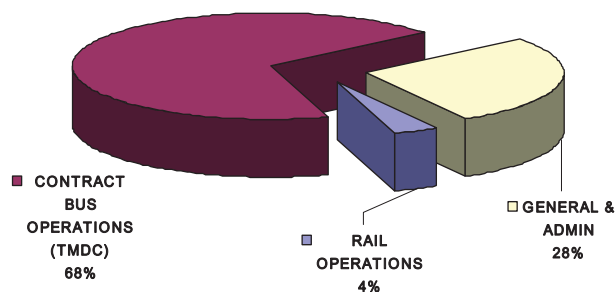
	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget	\$ CHANGE FY 11 to FY 10 Rev Budget
REVENUES					
Passenger Fares	\$ 415,583	\$ 451,462	\$ 451,462	\$ 978,266	\$ 526,804
Contract Service Revenue	2,151,402	2,509,862	2,489,422	2,577,439	88,017
Other Revenues	34,650	27,611	12,190	-	(12,190)
Subtotal Operating Revenue	2,601,635	2,988,935	2,953,074	3,555,705	602,631
Sales Tax Revenue	15,666,457	14,882,361	15,474,651	16,050,509	575,858
Net Investment Income / (Expenses)	335,979	393,173	97,291	414,890	317,599
Debt Issuance	-	7,000,000	-	-	-
Non-Operating Revenues	117,137		14,877	75,661	60,784
Federal Grants & Reimbursements	1,251,282	10,037,627	4,717,181	5,215,333	498,152
State Grants & Reimbursements	63,543,494	137,931,622	121,019,742	60,706,246	(60,313,496)
Subtotal Non-Operating Income	80,914,349	170,244,783	141,323,742	82,462,639	(58,861,103)
TOTAL REVENUES	\$ 83,515,984	\$ 173,233,718	\$ 144,276,816	\$ 86,018,344	\$ (58,258,472)
EXPENSES					
Salaries, Wages & Fringe Benefits	\$ 5,377,643	\$ 6,349,148	\$ 6,249,147	\$ 6,394,089	144,942
Services	1,113,057	3,658,577	1,933,228	8,966,776	7,033,548
Materials & Supplies	1,383,677	2,357,859	1,874,616	2,018,237	143,621
Utilities	72,712	77,820	77,820	112,416	34,596
Insurance, Casualties & Losses	403,329	360,876	360,876	361,248	372
Miscellaneous	145,079	183,960	185,260	181,003	(4,257)
Leases & Rentals	323,369	1,661,820	325,800	892,265	566,465
Depreciation	1,039,436	933,231	933,232	6,566,380	5,633,148
Subtotal Operating Expenses	9,858,302	15,583,291	11,939,979	25,492,414	13,552,435
Long-Term Debt Interest / Expense	22,700	1,337,769	994,637	833,511	(161,126)
Non-Operating Expenses	439,011	-	-	-	-
Subtotal Non-Operating Expenses	461,711	1,337,769	994,637	833,511	(161,126)
TOTAL EXPENSES	\$ 10,320,013	\$ 16,921,060	\$ 12,934,616	\$ 26,325,925	\$ 13,391,309
Transfer to Capital Projects	79,699,179	149,860,143	128,575,449	98,788,295	(29,787,154)
ANNUAL SURPLUS (DEFICIT)	\$ (6,503,208)	\$ 6,452,515	\$ 2,766,751	\$ (39,095,876)	\$ (41,862,627)



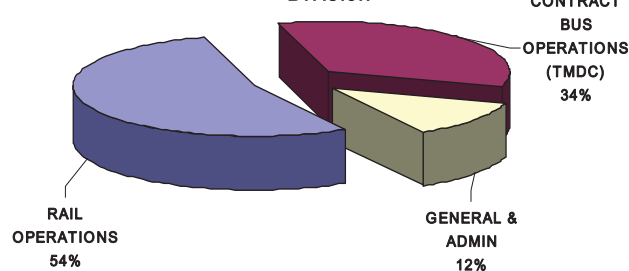
Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
GENERAL AND ADMINISTRATIVE				
President	\$ 847,372	\$ 915,514	\$ 894,337	\$ 1,127,496
Vice President of Finance / CFO	602,682	728,232	734,561	657,568
Board of Directors	16,461	32,450	32,450	32,750
Communications and Marketing	370,521	753,895	757,466	648,075
Bus Operations	119,212	270,292	273,649	253,296
Planning	240,393	528,246	467,246	194,250
Human Resources	158,673	137,120	138,343	139,786
TOTAL GENERAL & ADMIN	\$ 2,355,314	\$ 3,365,748	\$ 3,298,052	\$ 3,053,221
RAIL OPERATIONS				
Rail Development	\$ 427,371	\$ 3,516,603	\$ 424,230	\$ 13,741,242
TOTAL RAIL OPERATIONS	\$ 427,371	\$ 3,516,603	\$ 424,230	\$ 13,741,242
CONTRACT BUS OPERATIONS (TMDC)				
Administration	\$ 571,037	\$ 616,077	\$ 616,077	\$ 763,809
Connect Service	1,326,662	1,581,740	1,581,740	1,886,231
UNT Service	1,136,235	1,253,717	1,253,717	1,347,749
Access Service	773,936	983,594	983,594	857,191
Commuter Express Service	594,380	571,682	571,682	502,722
Maintenance	2,009,079	3,059,265	2,576,022	2,717,747
Supervisors & Dispatch	661,614	572,667	572,667	579,944
NCTC Service	2,675	62,197	62,197	42,558
TOTAL CONTRACT BUS OPERATIONS (TMDC)	\$ 7,075,618	\$ 8,700,940	\$ 8,217,697	\$ 8,697,951
TOTAL OPERATING EXPENSES	\$ 9,858,303	\$ 15,583,292	\$ 11,939,979	\$ 25,492,414

Fiscal Year 2010 Operating Expense by Division

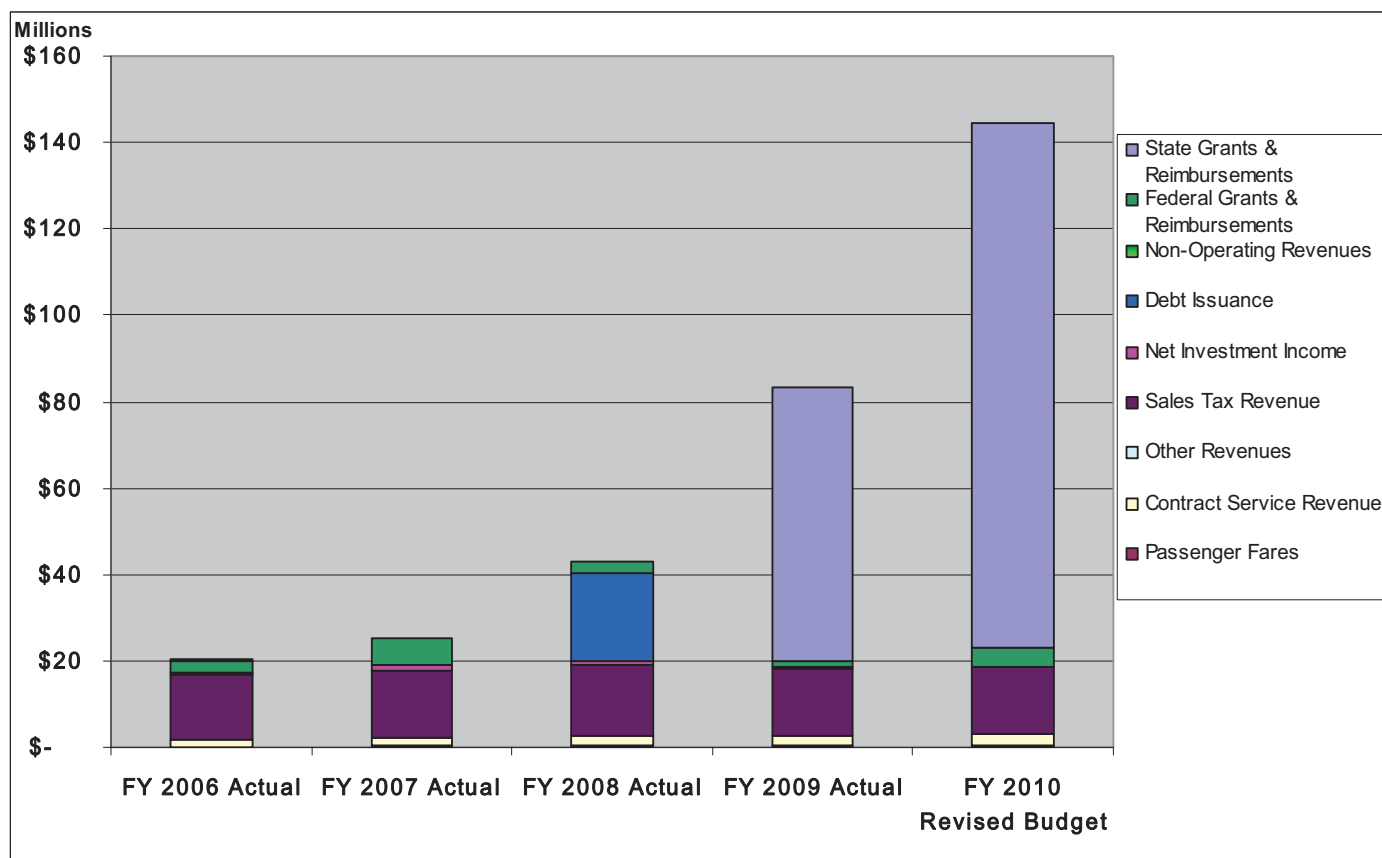


Fiscal Year 2011 Operating Expense by Division



Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Revised Budget
Passenger Fares	\$ 159,627	\$ 342,096	\$ 425,199	\$ 415,583	\$ 451,462
Contract Service Revenue	1,679,734	2,066,763	2,296,316	2,151,402	2,489,422
Other Revenues	6,985	8,553	9,373	34,650	12,190
Sales Tax Revenue	14,796,379	15,530,585	16,208,354	15,666,457	15,474,651
Net Investment Income	752,797	1,320,149	1,188,514	335,979	97,291
Debt Issuance	-	-	20,000,000	-	-
Non-Operating Revenues	-	-	-	117,137	14,877
Federal Grants & Reimbursements	2,701,351	5,932,486	2,916,207	1,251,282	4,717,181
State Grants & Reimbursements	106,800	-	-	63,543,494	121,019,742
TOTAL REVENUES	\$ 20,203,673	\$ 25,200,632	\$ 43,043,963	\$ 83,515,984	\$ 144,276,816



REVENUE

Department specific revenue budgets, such as Passenger Revenue are the responsibility of the particular department since the staff in the respective departments is the most knowledgeable source of information. Likewise, the CFO department is responsible for Sales Tax Revenue estimates. Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions within the national, state, and local economy. DCTA sales tax rate is one half a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed between the state, cities, DCTA, and other taxing authorities.

OPERATING REVENUE:

PASSENGER FARE REVENUE

Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as the addition of rail farebox revenue. Total fare revenue is projected at \$978 thousand or 117% increase over the FY 2010 revised budget. This significant raise is due to the addition of rail farebox revenues which are anticipated to begin June 2011 and are based on a 15% operating cost recovery ratio. Until some history of rail ridership is established, this recovery percentage is being used as an estimate for planning purposes.

CONTRACT SERVICE REVENUE

Contract service revenue consists of revenue or income related to providing transit services to UNT, NCTC and other non-member cities on a contractual basis. The 2011 budget reflects a 3.54% increase over the 2010 revised budget and is mainly attributable to the annual 3% increase in the UNT contract.

OTHER REVENUE

Other revenue consisted of revenues that DCTA received in exchange for providing Access transit services to Corinth, a non-member city. This contract was terminated in FY 2010.

NON-OPERATING REVENUE:

SALES TAX REVENUE

Sales Tax Revenue is a non-operating income source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2011 budget year is based on the 2010 actual receipts and is a conservative estimate which projects a \$576 thousand increase over the FY10 revised budget.

NET INVESTMENT INCOME

Net investment income represents DCTA earnings from investments net of interest expense. DCTA has a diverse investment portfolio as allowed by the Investment Policy. In FY 2011, DCTA is anticipating a conservative .20% return on investment on all Non-Regional Toll Revenue Funding Initiative (RTRFI) and a 1.10% return on RTRFI funds.

FEDERAL GRANTS & REIMBURSEMENTS

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2011, DCTA anticipates \$1.9 million in operating grants, which is a slight decrease of \$280 thousand over the FY 2010 revised budget. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, ozone reduction education program, BRT Alternatives Analysis Study, vanpool program, and travel training. DCTA anticipates \$3.3 million in capital grants, which reflects an increase of \$778 thousand over the FY 2010 revised budget. This increase is mainly attributable to the American Reinvestment and Recovery Act (ARRA) funds of \$4.1 million that DCTA was awarded, \$1.9 million which is budgeted to be drawn down in FY2011 and the remaining balance in FY 2012. These funds will be applied to projects related to bus support equipment and facilities, fleet replacement, and passenger amenities. An additional source of capital grants expected in 2011 is the 5307 Capital funds in the amount of \$525 thousand, which are federal formula funds available to the agency and will be applied toward operating assistance and non-fixed route ADA paratransit services along with \$625 thousand in Congestion Mitigation and Air Quality (CMAQ) Capital funds which will be used toward the Hebron Park & Ride project.

STATE GRANTS & REIMBURSEMENTS

For the 2011 budget we are anticipating a 50% decrease from the Regional Toll Revenue Funding Initiative (RTRFI). DCTA recognizes RTRFI revenue when it is reimbursed for expenditures incurred. DCTA has been awarded \$250 million for the A-train project, which represents 80% funding for the project. In FY 2011, DCTA anticipates drawing down \$60.71 million from these funds based on the current capital expenditure schedule.

OPERATING EXPENSES

The Operating Expense Budget includes costs related to the day-to-day operations of DCTA and current service levels and may also include any costs related to Expanded Level Projects that have been identified and included in the budget. Expanded Level Projects include any new projects, plans for expansion, or increased service delivery that are above and beyond current service levels.

DCTA implemented a new operating management service contract October 1, 2006. DCTA contracted with First Transit, Inc. to provide a General Manager (GM) and corporate support for human resources, benefits, and

Budget Assumptions cont.

oversight for the bus operations. First Transit, Inc. has created a wholly owned subsidiary, Transit Management of Denton County (TMDC) to provide the bus operations support for DCTA. DCTA provides the accounting, implements the required controls over expenditures, and processes the payments for the cost of running the day to day operations. Under this type of management contract the expenses are reported in the natural expense categories of Salary and Wages, Services, Materials and Supplies, etc.

SALARY, WAGES AND FRINGE BENEFITS

This expense category includes DCTA and TMDC payroll, employer taxes, employer insurance, and employer contributions to the 401(a). The FY 2011 budget reflects a 2.32% increase in this category. Major components included in this category are the following: (1) transfer of salary and benefit expenses related to the President position into the Services category for the CEO position currently contracted in FY 2011; (2) 10% increase in health benefits; and (3) TMDC bus operator's salary increases based on the negotiated union contract.

In response to the goal of achieving an organization structure that encourages and promotes a high performing workforce, it is important to ensure that DCTA is competitive in recruiting skilled staff. The FY 2010 budget incorporated a philosophical change in the approach to maintaining a competitive position and incorporated a pay plan market adjustment. Based on a review of competitive market ranges, it served as a first step to begin adjustments for those positions that fell below the mid-point of the market range. A market comparison will be conducted every two years with a goal to stay within mid-point of the market range. Funds will be budgeted as needed to help maintain that position. Merit pay has been included in the FY 2011 budget at 3.00%, and accounts for \$22k.

This budget incorporates an increase of 10% in health care benefits based on the current plan design, which accounts for a \$90k increase compared to FY 2010 revised budget. This is based on analysis of our employee health benefits and projections of anticipated increase in the cost of health care. Although health care increases have seen a slight leveling in recent years, they are projecting higher increases that range as high as 20% for some areas. However, DCTA has experienced good claims history in the past and saw a 3% decrease in health care premiums in FY 2009 and a slight increase of 5% in FY 2010.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, has included an overall wage increase for bus operators of 5.81% as a result of the negotiated union contract which accounts for a portion of the increase. TMDC also anticipates the addition of two full time employees for the Downtown Denton Transit Center which is anticipated to open in January 2011.

SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is higher than the FY 2010 revised budget by 364% due to the beginning of the A-train operations and maintenance contract which

Budget Assumptions cont.

DCTA anticipates to cost \$7.2 million in FY 2011. This would include mobilization and commencement of contracted services for Maintenance of Equipment (MOE), Maintenance of Way (MOW), facility maintenance, train operations and dispatch services for the A-train.

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2011 budget for this category is higher than 2010 revised budget by \$144 thousand (7.66%). This variance can be attributed to fuel budgeted at \$3.25 per gallon in FY 2011 compared to an average of \$2.80 per gallon in the FY 2010 revised budget.

UTILITIES

This expense category includes gas, electric and communication expenses. The 2011 budget reflects an increase of \$35 thousand compared to the FY 2010 revised budget due to the addition of the 8,800 square foot Downtown Denton Transit Center in January 2011.

INSURANCE

This expense category budget item is comparable to FY 2010 revised budget and shows an increase of \$372.

MISCELLANEOUS

This expense category includes travel and lodging, dues and memberships, seminars and conferences, and other minor expenditures that do not fit into the categories above. DCTA is anticipating a 2.3% decrease in FY 2011 and is a result of limiting travel due to current economic conditions.

LEASES AND RENTALS

Leases and rental expense includes DCTA facility leases at Denton, parking for our Commuter Express Service, office leases at the Stemmons location, and the anticipated Rail Diesel Car (RDC) lease with DART. The 2011 budget is higher than FY 2010 revised budget by \$566 thousand due to the addition of \$603 thousand for the RDC lease with DART, with the balance of \$430 thousand to be paid in FY 2012. This increase is offset by an anticipated decrease of \$41 thousand due to the elimination of park & ride leases, which will be replaced with available parking at the A-train rail stations in 2011.

DEPRECIATION

This expense category represents the expense of using our capital assets over time. The 2011 budget is higher than the prior year due to the A-train project completion in 2011, resulting in the beginning of depreciation of the capital asset.

NON-OPERATING EXPENSES:

LONG-TERM DEBT INTEREST/EXPENSE

This category accounts for the expenses related to long-term debt issuance and includes principal and 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. The FY 2011 budget reflects the interest payments according to the loan documents. Please refer to the debt table below for detailed information.

NON-OPERATING (REVENUES) / EXPENSES

This category accounts for incidental expenses and/or revenues that are not generated through or directly related to the regular operating activities of DCTA. In FY 2011, DCTA is expecting an increase of revenues of \$61 thousand due to the addition of Downtown Denton Transit Center (DDTC) retail space lease revenue of \$11,340 assumed, \$50 thousand for advertising revenue, and \$14,321 for the NCTC bus reimbursement.

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 shall be secured by a pledge of the Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ -	\$ 620,503	\$ 620,503
2011	-	833,511	833,511
2012	-	833,511	833,511
2013	885,000	833,511	1,718,511
2014	920,000	798,200	1,718,200
2015	955,000	761,492	1,716,492
2016	995,000	723,387	1,718,387
2017	1,030,000	683,687	1,713,687
2018	1,075,000	642,590	1,717,590
2019	1,115,000	599,697	1,714,697
2020	1,160,000	555,209	1,715,209
2021	1,205,000	508,925	1,713,925
2022	1,255,000	460,845	1,715,845
2023	1,305,000	410,771	1,715,771
2024	1,355,000	358,701	1,713,701
2025	1,410,000	304,637	1,714,637
2026	1,465,000	248,378	1,713,378
2027	1,525,000	189,924	1,714,924
2028	1,585,000	129,077	1,714,077
2029	1,650,000	65,835	1,715,835
Total	\$ 20,890,000	\$ 10,562,386	\$ 31,452,386

Full-Time Equivalent (FTE) Comparison

Division Summary	FY 2010	FY 2011	Variance
General & Administrative Division			
President Department			
President	1.00	1.00	-
Executive Assistant	1.00	1.00	-
Admin Asst / Receptionist	1.00	1.00	-
Project Assistant	1.00	1.00	-
Finance Department			
Chief Financial Officer	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Accountant	1.00	1.00	-
Budget Analyst	1.00	1.00	-
AP/AR Specialist	1.00	1.00	-
Procurement Manager	1.00	1.00	-
Communications & Marketing Department			
VP Planning & Communications	1.00	1.00	-
Marketing Manager	1.00	1.00	-
Bus Operations Department			
VP of Bus Operations	1.00	1.00	-
Senior Planner	1.00	1.00	-
Planning Department			
Strategic Planner	1.00	1.00	-
Human Resources Department			
Management Specialist	1.00	1.00	-
Rail Operations Division			
Rail Development Department			
VP Rail & Project Development	1.00	1.00	-
Project Assistant	1.00	1.00	-
General Manager of Rail Operations	1.00	1.00	-
Total DCTA FTE Staff	19.00	19.00	-
Contracted Bus Operations (TMDC)	134.50	136.50	2.00
Total FTE Staff with Operations	153.50	155.50	2.00

3. DIVISION BUDGETS

“The largest hurdle that we as Denton County citizens had was believing in the vision of a few, taking that vision as our dream, providing the leadership and working for funding through a sales tax election from Lewisville, Highland Village and Denton. Our success will continue to be defined by increased use of DCTA services.”

GUY L. MCELROY
City of Denton
2008-Present

GROWTH



3. DIVISION BUDGETS

DIVISION BUDGETS

PRESIDENT

Provides professional leadership, guidance, and coordination in the implementation of the policies established by the Board of Directors. The President's department administers Board support, records management, and coordinates legislative liaisons and General Counsel. The President also oversees intergovernmental relations and communications with local, regional, state and federal agencies and organizations. The department is responsible for the overall direction, supervision, and coordination of DCTA's activities.

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
<u>PRESIDENT</u>					
Salary, Wages & Benefits	\$ 248,617	\$ 221,297	\$ 381,289	\$ 260,112	\$ 223,649
Services	184,384	335,401	255,664	354,364	600,170
Materials & Supplies	22,648	23,994	26,004	26,004	23,968
Utilities	9,182	9,453	11,520	11,520	10,736
Insurance & Casualties	-	-	-	-	-
Miscellaneous	89,700	87,557	131,592	100,442	87,434
Leases & Rentals	140,206	159,451	159,456	159,456	164,377
Depreciation	30,764	26,681	14,889	14,889	49,912
Total Operating Expense	\$ 725,500	\$ 863,833	\$ 947,964	\$ 926,787	\$ 1,160,246
Full-Time Equivalents	3.0	4.0	4.0	4.0	4.0

MATERIAL BUDGET ITEMS:

- Reclassification of President's salary from Salary & Wages category to Services category for interim CEO position
- Reclassification of total agency legal services into the President's Services category

FY11 Objectives & Tasks/Performance Measures	
GOAL: <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
OBJECTIVE: Provide excellent customer service - Voice of the Customer	
OBJECTIVE: Provide safe operations	
OBJECTIVE: Cooperate with county and regional mobility improvement programs	
GOAL: <i>Promote and encourage high performing staff and service delivery</i>	
OBJECTIVE: Provide staff with tools and resources necessary to perform their job	
<u>Tasks / Performance Measure:</u>	
• Encourage participation in professional development opportunities	
OBJECTIVE: Review and ensure departments have appropriate administrative policies and procedures to ensure continuity	
OBJECTIVE: Maintain a positive work environment	
GOAL: <i>Elevate local, regional and national awareness of DCTA</i>	
OBJECTIVE: Develop and implement agency legislative agenda	

FY10 Performance Measure Results/Status	
GOAL: <i>Implement an organizational culture which promotes and encourages high performing staff and service delivery</i>	
OBJECTIVE: Complete a benefit and pay plan survey to provide retention and recruitment of	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
• Secure a consultant by December 2009; Survey complete and submit to Board by July 2010	• DCTA adopted a competitive pay plan structure July 2010
OBJECTIVE: Maintain an organizational structure that supports long-term growth and success	
<u>Tasks / Performance Measure:</u>	
• Submit a revised organization structure to Board of Directors by November 2009	• Completed
OBJECTIVE: Review and ensure departments have appropriate administrative policies and	• On Going
OBJECTIVE: Encourage professional development opportunities for staff	• On Going

FINANCE

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

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

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

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
FINANCE					
Salary, Wages & Benefits	\$ 393,470	\$ 478,421	\$ 498,214	\$ 504,543	\$ 493,408
Services	149,641	98,979	197,234	197,234	138,739
Materials & Supplies	19,916	8,494	10,100	10,100	2,347
Utilities	660	720	720	720	720
Insurance & Casualties	54,468	6,419	4,596	4,596	4,692
Miscellaneous	19,232	9,649	17,368	17,368	17,662
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 637,388	\$ 602,682	\$ 728,232	\$ 734,561	\$ 657,568
Full-Time Equivalents	5.4	6.0	6.0	6.0	6.0

MATERIAL BUDGET ITEMS:

- Financial Software Implementation
- Reclassification of legal expenses to President's Department
- Reclassification of IT related expenses to the Management Specialist /HR budget

FY11 Objectives & Tasks/Performance Measures

GOAL: Provide mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Provide excellent customer service - Voice of the Customer

OBJECTIVE: Provide safe operations

GOAL: Provide long term financial stability

OBJECTIVE: Secure a bond/credit rating as recognized by external rating agencies

Tasks / Performance Measure:

- Publish monthly financial statements
- Develop a Debt Management Policy
- Obtain at least one credit rating from a nationally recognized rating agency
- Ensure audits are prepared and completed within 6 months of year end
- Meet SEC Continuing Disclosure requirements

OBJECTIVE: Develop and adopt key financial policies

OBJECTIVE: Develop systems that ensure assets are properly safeguarded

Tasks / Performance Measure:

- Implement integrated financial software solution
- Conduct annual inventory and ensure proper asset disposal process

OBJECTIVE: Receive an unqualified audit opinion with no material findings

Tasks / Performance Measure:

- FY10 Audit Results

OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets

Tasks / Performance Measure:

- Meet deadlines on FTA reporting requirements and timely drawdown of funds
- Improve coordination of grant development and implementation
- Implement FTA approved cost allocation plan
- Establish a cash management policy
- Improve electronic methods of revenue collection
- Complete a comprehensive rate study
- Publish Revenue Manual and ensure annual review

OBJECTIVE: Ensure expenditure controls are in place and function effectively

Tasks / Performance Measure:

- Accountability of P-Card program and all other purchasing procedures
- Evaluate opportunities to improve use of electronic funds transfers
- Maintain expenditure accountability : operating and capital budgets

OBJECTIVE: Establish budget practices that ensure sustainability and continuity of services

Tasks / Performance Measure:

- Annual adoption of balanced budget
- Publish annual budget calendar with timeline and processes
- Establish and identify funding timeline for Asset Replacement Fund
- Establish a Fund Balance Reserve Policy

GOAL: Promote and encourage high performing staff and service delivery

OBJECTIVE: Maintain a positive work environment

GOAL: Elevate local, regional and national awareness of DCTA

OBJECTIVE: Ensure accessibility of current and historical financial data

Tasks / Performance Measure:

- Update website to incorporate financial information consistent with appropriate sections of the Texas State Comptroller

General and Administrative Division Budgets

FY10 Performance Measure Results/Status	
GOAL: <i>Maintain a service delivery system that provides mobility solutions that are safe, customer focused and efficient</i>	
<p>OBJECTIVE: Address DCTA's long term debt financing needs to support the Service Plan and</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Analyze agency debt capacity & needs based on capital projects planned & complete debt issuance or refunding as required Develop a Five Year Capital Plan and integrate into the long range financial model 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> Sales Tax Revenue Refunding Bond, Series 2009 completed in December 2009; Staff continues to analyze funding requirements and identify funding opportunities Staff has developed a Five Year Capital Plan and continues to make improvements
<p>OBJECTIVE: Review & improve grant application process & reporting to ensure proper</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Implement approved Cost Allocation Plan Assure compliance with all requirements of RTRFI and FTA grant funding and reporting 	<ul style="list-style-type: none"> In Process - Estimated completion date Quarter 1 of FY 2011 DCTA submitted 100% of the required RTRFI reporting on-time
<p>OBJECTIVE: Participate with DART and the T to develop a regional fare policy in order to</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Adopt seamless fare agreement with DART and the T 	<ul style="list-style-type: none"> In Process - Estimated completion date of November 2010
GOAL: <i>Continue emphasis on financial stability and integrity</i>	
<p>OBJECTIVE: Implementation of integrated financial software application</p>	<ul style="list-style-type: none"> In Process - Estimated completion Quarter 2 of FY 2011
<p>OBJECTIVE: Receive an unqualified audit opinion with no material findings</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Update accounting procedures and develop performance targets 	<ul style="list-style-type: none"> Unqualified audit opinion receive March 2010 for FY 2009
<p>OBJECTIVE: Achieve GFOA Distinguished Budget Award and implement budgeting best</p>	<ul style="list-style-type: none"> Completed July 2010
<p>OBJECTIVE: Revised purchasing policies to meet needs of agency in compliance with applicable</p>	<ul style="list-style-type: none"> Revisions complete; Pending adoption by Board
<p>OBJECTIVE: Develop and present for adoption Financial Policies and appropriate benchmarks</p>	<ul style="list-style-type: none"> In Process - Estimated completion FY 2011

MARKETING AND COMMUNICATIONS

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

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 100,073	\$ 167,428	\$ 179,120	\$ 182,691	\$ 189,844
Services	96,767	156,639	492,350	492,350	389,050
Materials & Supplies	23,787	30,469	64,950	64,950	50,700
Utilities	540	1,440	1,440	1,440	1,440
Insurance & Casualties	-	-	-	-	-
Miscellaneous	14,711	14,545	16,035	16,035	17,041
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 235,878	\$ 370,521	\$ 753,895	\$ 757,466	\$ 648,075

Full-Time Equivalents	1.5	2.0	2.0	2.0	2.0
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MATERIAL BUDGET ITEMS:

- Marketing initiative for the launch of the A-train
- Marketing initiative for the Employee Trip Reduction (ETR) / Vanpool program
 - This expense will be offset by the Ozone grant received from North Central Texas Council of Governments (NCTCOG)

FY11 Objectives & Tasks/Performance Measures

GOAL: Provide mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Provide excellent customer service - Voice of the Customer

OBJECTIVE: Provide safe operations

OBJECTIVE: Continue Transit Safety Education Program

Tasks / Performance Measure:

- Number of travel and safety training opportunities

GOAL: Promote and encourage high performing staff and service delivery

OBJECTIVE: Maintain a positive work environment

GOAL: Elevate local, regional and national awareness of DCTA

OBJECTIVE: Provide civic and public group presentations

Tasks / Performance Measure:

- Increase number of presentations provided

OBJECTIVE: Maximize media exposure / Coverage

Tasks / Performance Measure:

- Value of earned media

OBJECTIVE: Promote DCTA's transit services with focused and targeted marketing campaigns

Tasks / Performance Measure:

- Increase in ridership

General and Administrative Division Budgets

FY10 Performance Measure Results/Status	
GOAL: <i>Maintain a service delivery system that provides mobility solutions that are safe, customer focused and efficient</i>	
<p>OBJECTIVE: Continue rail safety education program</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Increase the number of travel and safety training opportunities 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • DCTA delivered 68 Rail Ready presentations to local schools, daycares, police, bus drivers and organizations reaching more than 3,173 people with the rail safety message
GOAL: <i>Elevate local, regional and national awareness of DCTA</i>	
<p>OBJECTIVE: Promote DCTA fixed-route and commuter bus services with focused and targeted</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Increase activities of the Citizen Advisory Team • Increase ridership 	<ul style="list-style-type: none"> • DCTA held 16 CAT meetings and engaged the group in A-train and Bus planning and marketing activities • Initiatives helped increase ridership by 15% over last year
<p>OBJECTIVE: Lead the communications and public information strategies for the construction of</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Publish articles • Special events and public meetings 	<ul style="list-style-type: none"> • DCTA received \$283k worth of earned media exposure • DCTA staff held/participated in 147 community events promoting DCTA to more than 468,929 community members and hosted 20 public meetings and 4 special events
<p>OBJECTIVE: Improve availability of passenger information and understanding of DCTA's existing</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Completion and installation of passenger information holders • Launch of enhanced website and ride guides 	<ul style="list-style-type: none"> • In Process - Estimated completion Quarter 1 FY 2011 • DCTA launched a Go Guide, an improved passenger information booklet
<p>OBJECTIVE: Expand outreach efforts through media and public relations activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Annual results of consumer awareness survey 	<ul style="list-style-type: none"> • Survey completed and results are currently being evaluated
<p>OBJECTIVE: Monitor and participate in state and federal legislative activities to promote interests of DCTA</p>	<ul style="list-style-type: none"> • Staff communicates regularly with our Federal Legislative Consultants and has made multiple trips to Washington and Austin

PLANNING AND SERVICE DEVELOPMENT

To provide direction in all planning and service development functions for the organization. The department is responsible for service improvement planning, capital improvement planning, major investment studies, environmental studies, federal grant programming and reporting, operational data reporting and analysis, development review, and management of auxiliary services.

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
PLANNING*					
Salary, Wages & Benefits	\$ -	\$ 78,261	\$ 63,936	\$ 63,936	\$ -
Services	-	158,256	455,000	394,000	191,500
Materials & Supplies	-	-	3,000	3,000	400
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	-	3,875	6,310	6,310	2,350
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ -	\$ 240,393	\$ 528,246	\$ 467,246	\$ 194,250

Full-Time Equivalents

0.0

1.0

1.0

1.0

0.0

*Department was created in FY09

MATERIAL BUDGET ITEMS:

- The Strategic Planner position is currently vacant but included in headcount for FY 2011. Neither salary nor benefits have been included in the operating budget for this department. Staff will assess the situation should the need arise to fill the Strategic Planner position.
- Service Plan update included and is scheduled to be complete in 2011.

General and Administrative Division Budgets

FY11 Objectives & Tasks/Performance Measures

GOAL: Provide mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Adopt the long range Service Plan by March 2011

Tasks / Performance Measure:

- Completion of 5 Year and 25 Year Service Plan

OBJECTIVE: Provide planning for the A-train and bus connectivity to rail stations

OBJECTIVE: Collaborate with local & regional partners in planning improved mobility & sustainable development opportunities

OBJECTIVE: Provide excellent customer service - Voice of the Customer

OBJECTIVE: Provide safe operations

GOAL: Provide long term financial stability

OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets

Tasks / Performance Measure:

- Timely reporting of transit data to the Board, NCTCOG and FTA
- Increase the number of grants executed and closed; Amount of funds drawn

GOAL: Promote and encourage high performing staff and service delivery

OBJECTIVE: Maintain a positive work environment

FY10 Performance Measure Results/Status

GOAL: Maintain a service delivery system that provides mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Update Service Plan to include 5, 10 & 25 year service priorities

Tasks / Performance Measure:

- Completion and Board approval of Service Plan in 2010

Results / Status:

- In Process - Estimated completion FY 2011

OBJECTIVE: Provide planning for the A-train and bus connectivity to rail stations

- On going initiative by DCTA staff

OBJECTIVE: Review & improve grant application process & reporting to ensure proper

Tasks / Performance Measure:

- Timely reporting of transit data to the Board, NCTCOG and FTA
- Increase the number of grants executed and closed

- DCTA submitted 100% of the required FTA reporting on-time
- Submitted 10 competitive grant applications & secured 2 for a total award over \$3M; Successfully executed 6 FTA grants & closed out 4 FTA grant applications

OBJECTIVE: Collaborate with local & regional partners in planning improved mobility &

- On going initiative by DCTA staff

GOAL: Continue emphasis on financial stability and integrity

OBJECTIVE: Collaborate with local, state & federal elected officials & agencies to identify

Tasks / Performance Measure:

- Number of grants executed and closed

- Submitted 10 competitive grant applications & secured 2 for a total award over \$3M; Successfully executed 6 FTA grants & closed out 4 FTA grant applications

HUMAN RESOURCES

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

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
HUMAN RESOURCES*					
Salary, Wages & Benefits	\$ -	\$ 94,723	\$ 71,216	\$ 72,439	\$ 68,548
Services	-	31,075	61,350	61,350	58,422
Materials & Supplies	-	-	-	-	9,000
Utilities	-	-	-	-	-
Insurance & Casualties	-	32,736	1,824	1,824	2,100
Miscellaneous	-	138	2,730	2,730	1,716
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ -	\$ 158,673	\$ 137,120	\$ 138,343	\$ 139,786

Full-Time Equivalents

0

1.0

1.0

1.0

1.0

*Department was created in FY09

MATERIAL BUDGET ITEMS:

- Reclassification of IT related expenses from the Finance to the Human Resource department in FY 2011

FY11 Objectives & Tasks/Performance Measures

GOAL: Provide mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Provide excellent customer service - Voice of the Customer

OBJECTIVE: Provide safe operations

GOAL: Promote and encourage high performing staff and service delivery

OBJECTIVE: Maintain a competitive benefit structure

Tasks / Performance Measure:

- Annual review of peer benefit plans during renewal cycle
- Conversion of TCDRS; Addition of ICMA voluntary plan to retirement options

OBJECTIVE: Maintain a competitive compensation plan

Tasks / Performance Measure:

- Administer and ensure compliance of compensation plan

OBJECTIVE: Maintain a positive work environment

OBJECTIVE: Implement innovative strategies, training and programs designed to acquire and retain staff

Tasks / Performance Measure:

- Ensure annual performance evaluations are conducted for each employee
- Training seminars coordinated and completed
- Wellness/health sessions conducted
- Informational items prepared and distributed to employees as scheduled

FY10 Performance Measure Results/Status

GOAL: Implement an organizational culture which promotes and encourages high performing staff and service delivery

OBJECTIVE: Structure a competitive pay plan with comparison benchmarks

Tasks / Performance Measure:

- Secure a consultant by December 2009; Survey complete and submit to Board by July 2010

Results / Status:

- DCTA adopted a competitive pay plan structure July 2010

OBJECTIVE: Evaluate options and make recommendation for employee retirement plan

- In Process - Estimated completion Quarter 2 FY 2011

OBJECTIVE: Implement innovative strategies, training and programs designed to acquire and

Tasks / Performance Measure:

- Ensure annual performance evaluations are conducted for each employee
- Training seminars coordinated and completed
- Wellness/health sessions conducted
- Informational items prepared and distributed to employees as scheduled

- DCTA had 100% employee participation for evaluations; 3 new employees added to staff; Successfully completed an Executive Search for new DCTA President
- On going as needed
- On going as needed
- On going as needed

RAIL OPERATIONS

The Rail Development team provides leadership, oversight, and implementation efforts leading to the execution of the regional rail component in the DCTA Service Plan. Primary to the activities undertaken by this section of DCTA include real estate acquisition, rail design, fleet acquisitions, internal and external agency coordination, TOD and planning, rail operations, rail maintenance, and safety/security. The team is supported with a number of professional consulting service contracts including design, support services, and a Construction Management/General Contractor.

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
RAIL OPERATIONS - ADMIN*					
Salary, Wages & Benefits	\$ -	\$ 381,288	\$ 348,204	\$ 354,900	\$ 348,658
Services	-	14,052	1,793,049	30,000	8,400
Materials & Supplies	-	12,583	17,450	17,450	32,020
Utilities	-	1,729	1,440	1,440	2,400
Insurance & Casualties	-	-	-	-	-
Miscellaneous	-	17,719	20,440	20,440	40,175
Leases & Rentals	-	-	1,336,020	-	-
Depreciation	-	-	-	-	5,529,146
Total Operating Expense	\$ -	\$ 427,371	\$ 3,516,603	\$ 424,230	\$ 5,960,799

Full-Time Equivalents

0.0

4.0

3.0

3.0

3.0

*Department was created in FY09

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
CONTRACT RAIL OPERATIONS					
Salary, Wages & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services	-	-	-	-	87,061
Materials & Supplies	-	-	-	-	695,033
Utilities	-	-	-	-	96,467
Insurance & Casualties	-	-	-	-	146,667
Purchased Transportation Services	-	-	-	-	6,148,142
Miscellaneous	-	-	-	-	-
Leases & Rentals	-	-	-	-	607,073
Depreciation	-	-	-	-	-
Total Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ 7,780,442

MATERIAL BUDGET ITEMS:

- Rail operating and maintenance contract expense for start-up of the A-train service of \$7.2 million
- RDC lease expense of \$603 thousand in FY 2011 with the balance to be paid in FY 2012
- Depreciation to begin on A-train capital project upon completion in FY 2011

FY11 Objectives & Tasks/Performance Measures

GOAL: Provide mobility solutions that are safe, customer focused and efficient

OBJECTIVE: Meet A-train implementation / service milestones

Tasks / Performance Measure:

- Begin revenue rail service by June 2011
- Rail Operations & Maintenance Facility to be complete August 2011
- DART/DCTA Operations & Maintenance Agreement executed by January 2011

OBJECTIVE: Work with FRA and Stadler to achieve Alternative Vehicle Technology Compliance Waiver

Tasks / Performance Measure:

- Kick-Off Meeting to be held November 2010 with FRA
- FRA AVT Waiver Package development and initial submission by Summer 2011

OBJECTIVE: Develop and adopt final A-train service level schedule

Tasks / Performance Measure:

- Board service level schedule adoption by October 2010

OBJECTIVE: Continue to work with A-train corridor stakeholders to complete the construction activities with minimal interruptions to the public

Tasks / Performance Measure:

- Substantial completion of the A-train construction effort by May 2011

OBJECTIVE: Develop implementation plan and identify funding sources for Positive Train Control (PTC) Implementation

Tasks / Performance Measure:

- Capital Implementation Plan developed by January 2011; Funding sources established by Spring 2011

OBJECTIVE: Provide safe and efficient A-train start-up operations

Tasks / Performance Measure:

- On-Time Performance (OTP) established at above 90% during the first three months of operating

OBJECTIVE: Provide excellent customer service - Voice of the Customer

GOAL: Provide long term financial stability

OBJECTIVE: Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget

Tasks / Performance Measure:

- Contract closeout by September 2011
- Final budget at/under the \$193M
- Successful closeout audit of actual construction costs
- Zero construction claims

GOAL: Promote and encourage high performing staff and service delivery

OBJECTIVE: Maintain a positive work environment

FY10 Performance Measure Results/Status	
<i>GOAL: Maintain a service delivery system that provides mobility solutions that are safe, customer focused and efficient</i>	
<p>OBJECTIVE: Maintain a high level of safety and provide reliable service</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Attend and lead safety meetings / perform random field safety audits 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> DCTA holds design, engineering & construction coordination meetings an average of 3 days/week Participated in the DART FLSC table top exercises Entered into Memorandum of Understanding (MOU) with corridor stakeholders police to provide assistance to DCSO Organization of DCTA Safety & Security Committee Organization of the corridor stakeholders Fire Life Safety Committee (FLSC)
<p>OBJECTIVE: Advance the A-train construction with minimal disruption to the public and within</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Twice weekly construction corridor audits Routine public outreach meetings and website updates Work with staff & contractors to develop cost & schedule models along with a capital program & necessary funding sources 	<ul style="list-style-type: none"> Complete Provided advanced notice to public with regard to construction disruptions thru public press releases, stakeholder preconstruction meetings, door to door notification, & project website construction updates Estimated project below budget; Redesign/Value Engineering of Issued for Construction (IFC) design elements have resulted in estimated \$20M potential cost savings; Rail O&M Facility design enhancements to ensure cost effective construction
<p>OBJECTIVE: Advance production of next generation rail car</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Weekly conference on manufacturing progress 	<ul style="list-style-type: none"> Participated in various Railroad Safety Advisory Committee (RSAC) Engineering Task Force (ETF meetings on national/global level: APTA, Regional Transportation Council, Cotton Belt Stakeholders Meeting, DART/DCTA Regional Car Meeting

Bus Operations Division Budget

BUS OPERATIONS

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

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
BUS OPERATIONS - ADMIN*					
Salary, Wages & Benefits	\$ -	\$ 105,390	\$ 185,540	\$ 188,897	\$ 188,744
Services	-	3,797	71,917	71,917	51,427
Materials & Supplies	-	-	-	-	-
Utilities	-	240	-	-	720
Insurance & Casualties	-	-	-	-	-
Miscellaneous	-	9,785	12,835	12,835	12,405
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ -	\$ 119,212	\$ 270,292	\$ 273,649	\$ 253,296

Full-Time Equivalents

0.0

1.0

2.0

2.0

2.0

*Department was created in FY09

COST CLASSIFICATION	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Revised Budget	FY 2011 Budget
CONTRACT BUS OPERATIONS (TMDC)					
Salary, Wages & Benefits	\$ 3,717,352	\$ 3,850,835	\$ 4,621,629	\$ 4,621,629	\$ 4,881,238
Services	331,656	314,859	332,013	332,013	351,198
Materials & Supplies	1,763,460	1,308,137	2,236,355	1,753,112	1,899,802
Utilities	56,341	59,130	62,700	62,700	96,400
Insurance & Casualties	390,852	364,174	354,456	354,456	354,456
Miscellaneous	9,444	1,809	9,100	9,100	2,220
Leases & Rentals	190,719	163,918	166,344	166,344	125,315
Depreciation	1,371,271	1,012,755	918,343	918,343	987,322
Total Operating Expense	\$ 7,831,096	\$ 7,075,618	\$ 8,700,940	\$ 8,217,697	\$ 8,697,951

TMDC Contract FTE's

107.04

119.25

119.25

134.5

136.5

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.25 per gallon in FY11
- Increase in health benefits of 10%
- Bus operator wage increases based on Union contract

Bus Operations Division Budget

FY11 Objectives & Tasks/Performance Measures	
GOAL: Provide mobility solutions that are safe, customer focused and efficient	
OBJECTIVE: Provide Fixed Route Bus Services that are effective in attracting & retaining riders <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Develop sound data collection methods for determining fixed route On-Time Performance (OTP). Achieve system wide OTP of 90% Increase ridership by 5% 	
OBJECTIVE: Continue to improve the quality, efficiency, and cost effectiveness of Access Service <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Increase passengers per hour to 2.25 	
OBJECTIVE: Expand Vanpool Service to provide Denton County residents and employees with an additional alternative to single-occupancy <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide eleven (11) vanpools by the end of FY 2011 	
OBJECTIVE: Work with the City of Denton to implement service to the Downtown Denton Transit Center <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Transition of bus services from Connect Central to DDTC 	
OBJECTIVE: Continue the refinement of the Transition Travel Training program in order to effectively transition Access passengers to fixed route <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide 100 separate travel training sessions. Effectively train 30 individuals to take trips on Connect, Commuter Express or A-train services 	
OBJECTIVE: Provide excellent customer service - Voice of the Customer <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Document & monitor customer comments on a monthly basis. DCTA's goal is to receive no more than .3 complaints per 10,000 	
OBJECTIVE: Provide safe operations <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> No more than 2 accidents per 100,000 miles 	
GOAL: Promote and encourage high performing staff and service delivery	
OBJECTIVE: Maintain a positive work environment	

FY10 Performance Measure Results/Status	
GOAL: Maintain a service delivery system that provides mobility solutions that are safe, customer focused and efficient	
OBJECTIVE: Maintain a high level of safety and provide reliable service <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Reduce the number of collisions per 100,000 miles from 2.91 to 2.61 Increase number of miles between road calls from 7,249 to 7,975 Increase the number of safety meetings Achieve 90% system wide on-time performance 	<u>Results / Status:</u> <ul style="list-style-type: none"> Average 2.22 collisions per 100,000 miles Increased miles between road calls to 7,930 40 safety meetings held, an increase of 233% 97.44% system wide on-time performance
OBJECTIVE: Complete the design & construction of the Bus Operations & Maintenance Facility	<ul style="list-style-type: none"> Design is complete; Construction delayed due to funding
OBJECTIVE: Implement intelligent transportation systems necessary to improve the efficiency & <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Increase the number of Access passengers per hour from 1.85 to 1.95 Issue RFP, award contract and implement ITS project 	<ul style="list-style-type: none"> Access passengers per hour = 1.80 In Process - Estimated completion Quarter 1 FY 2011
OBJECTIVE: Assist with the development & completion of the Downtown Denton Transit Center	<ul style="list-style-type: none"> In Process - Estimated completion date of January 2011
OBJECTIVE: Take steps necessary to participate in FTA's Very Small Starts project	<ul style="list-style-type: none"> Process delayed due to local match funding requirements

4. CAPITAL IMPROVEMENT PLAN

“The 2011 budget represents the coming to fruition of nine plus years of effort by Board, Staff and the citizens of Denton County. It truly represents a transition for DCTA. The 21 mile commuter rail project is one of only a handful of projects of its scale and impact to occur in Denton County. The others include the Interstates, the Lakes and perhaps Hillwood's Alliance Airport. When you consider that these projects were funded totally or in part by Federal dollars, it is even more significant.

Start to finish in less than 10 years is a remarkable feat. The completion of our rail project is a significant step in securing the financial future and the quality of life for Denton County. 'What we do for ourselves dies with us. What we do for others and the world remains and is immortal.' -Albert Pine”

TOM SPENCER
Small Cities
2002-Present

PARTNERSHIP

CAPITAL IMPROVEMENT PLAN

CAPITAL IMPROVEMENT PLAN OVERVIEW

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

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

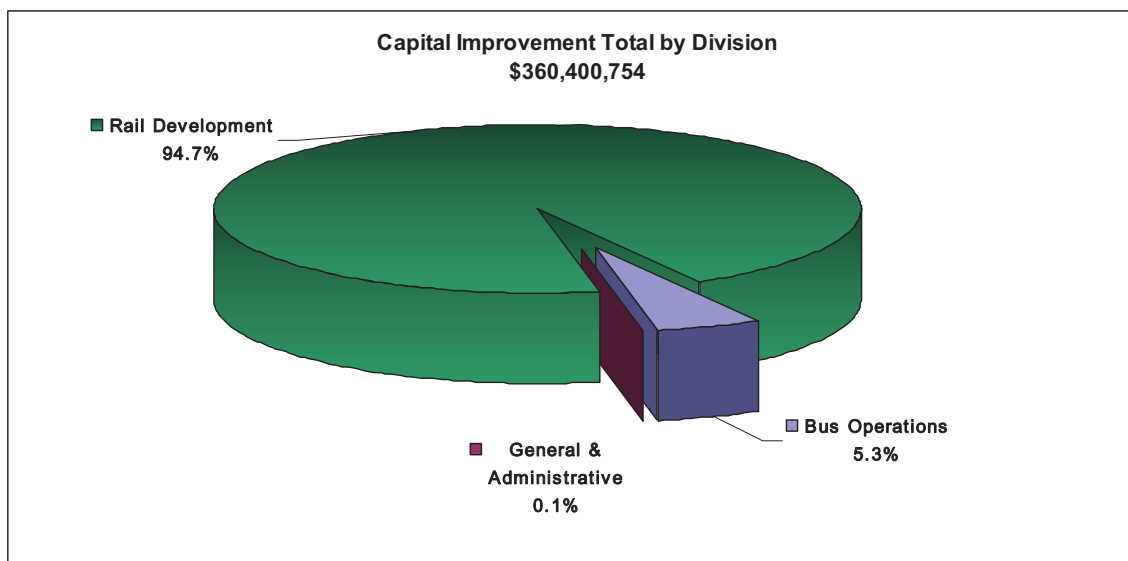
All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department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

A capital project is funded for one of the following purposes: land acquisition, new construction of buildings, remodeling of and/or additions to buildings, major equipment purchases or refurbishment, and other infrastructure, service improvements, or major studies. The basic criteria for a capital project are any construction or purchase costing \$25,000 or more and which has a useful life of seven years or longer.

The current year of the CIP is adopted with the approval of the FY 2011 Operating and Capital Budget. All years beyond the current fiscal year are subject to change and specific approval of the Board upon adoption of the annual operating and capital budget. The anticipated total for the CIP in FY11 is \$98.8 million, with 97% dedicated to the A-train project. The remaining 3% is allocated among a number of bus related projects and a financial software package. These projects will be outlined in greater detail to follow.

Capital Improvement Plan Summary

Project Name	Project Number	Project LTD thru FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Project Total
Bus Operations									
Passenger Amenities-Phase 1	50201	\$ -	\$ 88,685	\$ -	\$ -	\$ -	\$ -	\$ -	88,685
Passenger Amenities-Phase 2	50202	-	173,598	55,728	-	-	-	-	229,326
Bus Operations & Maintenance Facility	50301	1,355,299	635,598	-	-	-	-	9,641,821	11,632,717
Bus Maintenance Equipment	50302	-	50,635	-	-	-	-	-	50,635
Security System Video Units (2009)	50401	-	94,837	35,000	-	-	-	-	129,837
Paratransit Scheduling Software	50403	-	180,000	-	-	-	-	-	180,000
Electronic Fareboxes	50405	-	-	-	-	-	-	-	-
Fleet Replacement	50502	-	279,705	2,002,545	894,365	-	-	-	3,176,615
NCTC Bus Purchase	50503	-	60,784	-	-	-	-	-	60,784
Hebron Park & Ride	50701	1,232,498	1,725,244	417,399	-	-	-	-	3,375,140
G&A Operations									
Financial Software Package	80401	-	-	86,693	97,568	22,250	-	-	206,511
Rail Development									
Line Construction	61101	34,881,399	68,185,507	37,086,231	-	-	-	-	140,153,137
MedPark Station	61201	3,253,335	2,754,274	3,812,753	-	-	-	-	9,820,362
Downtown Denton Station	61202	-	332,906	917,898	-	-	-	-	1,250,804
HV/LV Lake Station	61203	2,961,983	1,839,502	1,557,866	-	-	-	-	6,359,351
Old Town Lewisville Station	61204	3,042,400	2,936,738	2,484,168	-	-	-	-	8,463,306
Hebron Station	61205	47,321	937,335	185,003	-	-	-	-	1,169,659
MedPark Extension	61206	-	-	-	-	1,000,000	-	-	1,000,000
Rail Operations & Maintenance Facility	61301	2,852,675	7,205,957	11,250,000	-	-	-	-	21,308,632
Fare Collection Systems	61401	-	489,000	80,000	-	-	-	-	569,000
Communication System	61402	-	2,009,539	926,536	-	-	-	-	2,936,075
Traffic Signals	61403	-	2,313,270	528,342	-	-	-	-	2,841,612
Railroad Signal System/Crossing	61404	-	8,803,135	3,185,865	-	-	-	-	11,989,000
Positive Train Control	61405	-	290,491	-	-	-	5,350,000	5,350,000	10,990,491
Rail Cars	61501	18,463,016	12,215,506	22,848,325	26,268,677	-	-	-	79,795,524
Professional Services	61601	15,746,722	5,475,102	2,544,483	-	-	-	-	23,766,307
CM/GC Pre-Construction	61602	521,315	1,000	-	-	-	-	-	522,315
Trail Relocation - North Region	61701	-	1,444,545	1,056,695	-	-	-	-	2,501,240
Project Management - DCTA Internal	61702	31,372	285,323	-	-	-	-	-	316,695
Rail Corridor - DART	61703	22,995	7,524,000	7,500,000	-	-	-	-	15,046,995
Neighborhood Sound Mitigation	61706	-	243,235	226,765	-	-	-	-	469,999
TOTAL									
		\$ 84,412,330	\$ 128,575,450	\$ 98,788,294	\$ 27,260,610	\$ 1,022,250	\$ 5,350,000	\$ 14,991,821	\$ 360,400,754



Project Name: Passenger Amenities (Phase 2)

Project Number: 50202

Statement of Need/Description

Passenger amenities are a vital component of all successful transit operations. Strategically placed waiting areas that are safe, comfortable, and easily identifiable to the transit agency allow passengers to access the service with protection from the elements. These amenities also promote DCTA services as Connect route information can be displayed at each shelter location. This project will allow DCTA to acquire and install 26 passenger shelters along the fixed-routes in Denton.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ - 192,263 37,063
2009-10	173,598	-	-		
2010-11	55,728	-	-		
2011-12	-	-	-		
2012-13	-	-	-		
Total	\$ 229,326	\$ -	\$ -	Total Funding	\$ 229,326
Change from Previous CIP			Project Notes		
			Coordinating Department: Bus Operations		
No Change			* Phase 1 was completed in FY 2010 and served the Lewisville fixed-routes		
Increase in Amount	X		* The shelters were procured in FY 2010; with installation planned for Quarter 1 of FY 2011		
Decrease in Amount			* As a designated recipient for the Denton-Lewisville FTA 5307 (formula) urbanized area allocation,		
New Project			a portion of these funds are required to be spent on transit enhancements.		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Security System Video Units

Project Number: 50401

Statement of Need/Description

This project will include the production and installation of a video surveillance system on select transit vehicles and is fully funded by American Recovery & Reinvestment Act (ARRA) funds. This will provide added security to the traveling public as well as provide a mechanism for DCTA to document and verify operational issues that might arise from accidents and incidents both inside and outside the vehicle. The use of video surveillance within transit vehicles is becoming industry standard and has the potential to reduce insurance costs that could arise from fraudulent claims.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	94,837	-	-		
2010-11	35,000	-	-	State Grants (RTRFI)	\$ -
2011-12	-	-	-	Federal Grants	102,322
2012-13	-	-	-	Operating Funds	27,515
Total	\$ 129,837	\$ -	\$ -	Total Funding	\$ 129,837
Change from Previous CIP			Project Notes		
			Coordinating Department: Bus Operations		
No Change			* Original capital project in FY 2009; completed in FY 2010		
Increase in Amount	X		* Installed 17 video surveillance systems on current fleet in FY 2010		
Decrease in Amount			* FY 2011 budget will allow install of 5 additional units on the 5 Gilligs purchased		
New Project					

Project Information/Status:



Project Name: Fleet Replacement

Project Number: 50502

Statement of Need/Description

By keeping it's fleet up to date, DCTA will reduce maintenance and fuel costs, reduce the overall emissions and continue to operate a safe fleet. DCTA was awarded funds thru American Recovery & Reinvestment Act (ARRA) which a portion was used to purchase 5 heavy-duty, 35-foot, low-floor transit buses thru the Gillig Corp. DCTA also received an earmark in FY09 Omnibus Appropriations bill of \$475k to be used for fleet replacement. In FY11, DCTA plans on purchasing wheel-chair accessible vans and cutaway vehicles to be used in our Access service.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	279,705	-	-		
2010-11	2,002,545	-	-	State Grants (RTRFI)	\$ -
2011-12	894,365	-	-	Federal Grants	3,058,601
2012-13	-	-	-	Operating Funds	118,014
Total	\$ 3,176,615	\$ -	\$ -	Total Funding	\$ 3,176,615

Change from Previous CIP		Project Notes
		Coordinating Department: Bus Operations
No Change		* 5 Gilligs are expected to arrive January 2011
Increase in Amount	X	
Decrease in Amount		
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Hebron Park & Ride Facility

Project Number: 50701

Statement of Need/Description

Project will include land acquisition, design and construction of the facility. Phase I if this project will provide approximately 393 parking spaces with an additional 267 planned for Phase II to serve both bus and rail passengers. The facility will include such passenger amenities as shelters, bike racks, waste receptacles, and public information boards. The design also coordinates access to the site from a hike & bike trail which is proposed to connect South Lewisville with Denton Rail Trail which ends in Corinth. This park & ride lot will replace the park & rides that DCTA currently leases for Commuter Express.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ 1,232,498	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ - 2,643,690 731,450
2009-10	1,725,244	-	-		
2010-11	417,399	-	-		
2011-12	-	-	-		
2012-13	-	-	-	Total Funding	\$ 3,375,140
Total	\$ 3,375,140	\$ -	\$ -		

Change from Previous CIP		Project Notes
No Change		* Construction is estimated to be complete in October 2010
Increase in Amount	X	* 610 projected parking spaces available
Decrease in Amount		* Service to the Hebron Park & Ride slated to begin December 2010
New Project		

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Financial Software Package

Project Number: 80401

Statement of Need/Description

This financial software is an integrated comprehensive package and incorporates financial software, HR and payroll capabilities. It will replace the current QuickBooks financial software, which is designed for use by small business and non-profit organizations and can no longer adequately support the operating and capital financing, accounting, reporting and budgeting needs of DCTA.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	86,693	29,128	-	State Grants (RTRFI)	\$ -
2011-12	97,568	19,128	-	Federal Grants	-
2012-13	22,250	43,071	-	Operating Funds	206,511
Total	\$ 206,511	\$ 91,327	\$ -	Total Funding	\$ 206,511

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	* Planned implementation in Quarter 2 of FY 2011
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: A-train Project Development/Construction

Project Number: 61XXX

Statement of Need/Description

The \$330.6 million project includes a 21-mile regional rail line with five stations connecting Denton County with DART's Green Line in Carrollton at the Trinity Mills station. Further components of the project include a bicycle and pedestrian trail within the rail corridor, enhanced crossings to improve traffic flow, 11 Diesel Multiple Units (DMU) rail vehicles, and a rail vehicle maintenance facility.



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2008-09	\$ 81,824,533	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ 250,360,000 - 80,210,504
2009-10	125,286,364	-	-		
2010-11	96,190,930	7,780,442	616,556		
2011-12	26,268,677	9,405,446	1,436,156		
2012-13	1,000,000	8,476,896	1,214,843		
Total	\$ 330,570,504	\$ 25,662,784	\$ 3,267,555	Total Funding	\$ 330,570,504

Change from Previous CIP

No Change
Increase in Amount
Decrease in Amount
New Project

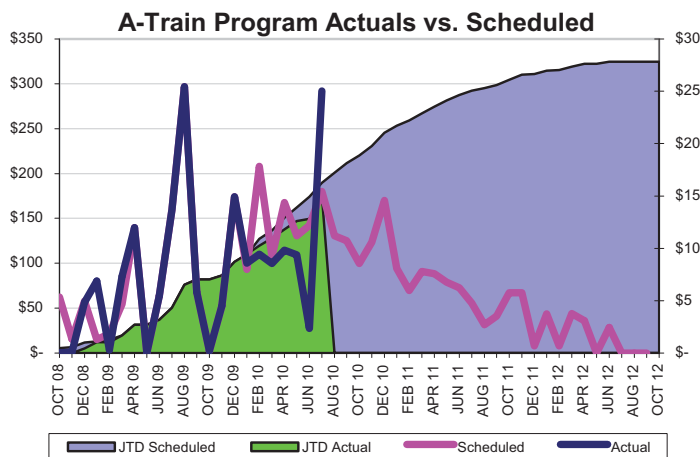
X

Project Notes

Coordinating Department: Rail Development

- * Operating & Maintenance Agreement to begin FY 2011
- * Project Construction to be complete FY 2011
- * Vehicles scheduled to be delivered FY 2012

Project Information/Status:



Project Name: A-train Project Development/Construction
Capital Project Components

Component Name	Project Number	Budget
Line Construction	61101	\$ 140,153,137
MedPark Station	61201	9,820,362
Downtown Denton Station	61202	1,250,804
HV/LV Lake Station	61203	6,359,351
Old Town Lewisville Station	61204	8,463,306
Hebron Station	61205	1,169,659
MedPark Road Extension	61206	1,000,000
Rail Operations & Maintenance Facility	61301	21,308,632
Fare Collection Systems	61401	569,000
Communication System	61402	2,936,075
Traffic Signals	61403	2,841,612
Railroad Signal System/Crossing	61404	11,989,000
Positive Train Control (IP)	61405	290,491
Rail Cars	61501	79,795,524
Professional Services	61601	23,766,307
CM/GC Pre-Construction	61602	522,315
Trail Relocation - North Region	61701	2,501,240
Project Management - DCTA Internal	61702	316,695
Rail Corridor - DART	61703	15,046,995
Neighborhood Sound Mitigation	61706	469,999
Total Budget		\$ 330,570,504



Interesting Facts About the A-train Project:

- Acquired 36.5 acres to be used for five rail stations & Operations & Maintenance Facility
- 24 Bridges
- 43 Crossings
- 150 Ribbons of 1,600 ft continuous welded rail
- 316 Sticks of 80' ft rail
- 61,641 Rail Ties
- 17 Switches
- 63,500 ft of track will be removed upon completion of project
- \$193 million construction contract with North Texas Rail Group
- 2,633 Parking Spaces
- \$75.5 million vehicle contract with Stadler

5. APPENDIX

“DCTA with great local government partnerships has developed the core of a County public transportation system that will provide economic, environmental and public mobility benefits for the citizens of Denton County for generations into the future.”

DOUG PEACH
City of Little Elm
2004-Present

“DCTA’s measure of success will be its ability to make a lasting change and help improve the quality of life in Denton County by providing economical transportation alternatives, decreasing traffic congestion and minimizing environmental impacts related to air quality. The existing bus service and the future rail service are steps in that direction.”

THOMAS SMITH
Denton County at Large
2007-Present



COMMUNITY



APPENDIX

FINANCIAL POLICY OVERVIEW

Denton County Transportation Authority (DCTA) has an important responsibility to its citizens to carefully account for public funds, prudently manage finances, and to plan for the adequate funding of services desired by the public. The purpose of the financial policies is to enable DCTA to achieve a long-term stable and positive financial condition, by exercising integrity, prudence, responsible stewardship, planning, accountability, and full disclosure.

The Service Plan serves as the foundation of DCTA. It includes a rail component and three layers of bus service, including interim regional commuter bus service, local fixed-route bus service and demand response service. The Service Plan represents DCTA's blueprint for transportation facilities, services and funding options for the citizens of Denton County under the provisions of Chapter 460 of the Texas Transportation Code.

Denton County Transportation Authority accomplishes this purpose by following policies and procedures that ensure:

- Reserves are maintained at levels sufficient to protect the Authority's creditworthiness and to provide contingency funds in the event of an emergency and/or unforeseen cash outlays. Additionally, reserves are created when the Board of Directors takes action to set funds aside for a specific purpose or according to legal restrictions on the use of assets.
- The Authority maintains a balanced revenue system and is constantly looking for new revenue streams in order to protect from fluctuations in any one source due to changes in local economic conditions, which may have an adverse impact. A conservative, objective, and analytical approach is used to prepare revenue estimates along with an analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenue shortfalls.
- DCTA uses a modified accrual basis of accounting for audited financial statements, external reporting, and internally for budgeting. Expenditures are budgeted and controlled so as to not exceed an amount equal to current revenues. A Budget Contingency Plan has also been adopted and serves as an important tool to address possible economic downturns by allowing the organization to be better positioned to act more quickly to market fluctuations that could not have been foreseen or anticipated at the time of budget adoption.
- Within the resources available each fiscal year, the Authority shall maintain capital assets and infrastructure at a sufficient level to protect the Authority's investment to minimize future replacement and maintenance costs, and to maintain service levels.

- Fund appropriations are annually allocated to programs, offices, departments, and projects in the legally adopted annual budget. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. A budget amendment, approved by the Board of Directors, is required if actual expenditures will exceed the budget.
- An objective, analytical approach is used to make the determination of whether debt is issued. The process compares generally accepted standards of affordability to the current values for the Authority. Those standards may include measures such as: debt per capita, debt as a percent of assessed value, and debt service payments as a percent of current revenues and/or current expenditures. DCTA strives to achieve the standards at levels below the median industry measures for agencies of comparable size.
- The financial statements of Denton County Transportation Authority conform to Generally Accepted Accounting Principals (GAAP) of the Governmental Accounting Standards Board (GASB) and recommended practices adopted by the Government Finance Officer's Association (GFOA).

These policies will be reviewed administratively by the Chief Financial Officer and President and will be presented to the Board of Directors for approval of any significant changes, as needed.

FUND BALANCE/RETAINED EARNINGS

When fund resources exceed uses, the result is fund balance accumulations for governmental funds and retained earnings for proprietary funds. Reserves are maintained in fund balances/retained earnings, at levels sufficient to protect the Authority's creditworthiness and to provide contingency funds in the event of emergency and/or unforeseen cash outlays. Additionally, reserves are created when the Board of Directors takes action to set funds aside for a specific purpose or according to legal restrictions on the use of the assets. Designations on fund balance/retained earnings are made when the appropriate level of management requests an amount, purpose, and timeframe for the designation. Designations are not authoritative and may be reallocated at any time. Reserves require Board of Directors or other appropriate authoritative action to reallocate.

Debt Service

Denton County Transportation Authority maintains sufficient reserves to meet bond covenant requirements. When revenue bonds are issued, the Authority will maintain either the highest annual debt service payment or the amount of one year's debt service or the amount required by the bond covenant, if different. When bonds are issued, the cost of maintaining a cash reserve will be compared with the cost to purchase a surety bond to meet coverage requirements, to identify the most beneficial alternative. Despite the mechanism ultimately selected, coverage will be maintained in accordance with bond covenants.

Capital Project Funds

Unreserved/undesignated capital project fund balances or retained earnings are resources available for funding capital projects when all approved life-to-date budgets are committed. Management may make a designation of fund balance to target a particular purpose. Reserves are created pursuant to Board of Directors approval.

Interest earned in Capital Project Funds is retained in the Capital Project funds. Bond interest may be allocated to bond-funded project overruns or projects that fulfill the same purpose for which the bonds were issued. Interest, other than interest earned from bond funds, may be allocated as needed to relieve over-expenditures or to fund new capital projects, as approved by the Board of Directors.

Enterprise Funds (Operating)

DCTA is accounted for as a single entity enterprise fund. Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business where the intent of the governing body is that the cost of providing transit services to the general public on a continuing basis be financed through a combination of farebox revenues, sales tax and available grants; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

DCTA maintains a fund balance reserve that is equal to three month's operating expense. These funds may be allocated for unforeseen emergency needs as approved by the Board.

Investments

It is the policy of the DCTA that the administration of its fund and the investment of those funds shall be handled as its highest public interest. Investments shall be made in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the DCTA and conforming to all applicable state statutes governing the investment of public funds. Investments will be in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, and the Board of Directors by resolution adopted investment policy.

BUDGET CONTINGENCY PLAN – FISCAL YEAR 2011

The following steps will be initiated immediately if a revenue shortfall is anticipated:

INITIAL PRE-CAUTIONARY ACTION

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

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

2% REDUCTION:

- 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.

3% REDUCTION:

- Freeze all travel and training requests except with necessity review by the Budget Assessment Team for any exceptions.

- Reduce expenditures in operations and maintenance accounts in each functional area. Amount of reduction to be determined by Budget Assessment Team.
- Freeze capital outlay after review by the Budget Assessment Team for any exceptions.
- Indefinitely freeze all vacant positions after review by the Budget Assessment Team for any exceptions.

4% REDUCTION:

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

Operational Statistics - Bus

	FY 2008 Actual	FY 2009 Actual	FY 2010 Budget	FY 2010 Y/E Est Actual	FY 2011 Budget	% CHANGE FY11 to FY10 Y/E Est Actual
PASSENGERS						
Access	42,803	45,128	47,080	44,201	36,560	(17.3%)
Commuter Express	88,724	96,926	100,362	107,883	70,976	(34.2%)
Connect	250,578	290,023	305,901	337,471	340,086	0.8%
RSVP	-	720	2,560	1,623	1,369	(15.7%)
UNT	1,576,402	1,630,857	1,779,602	1,842,530	1,879,478	2.0%
NCTC	-	1,128	3,960	7,536	8,381	11.2%
TOTAL PASSENGERS	1,958,507	2,064,782	2,239,465	2,341,244	2,336,851	(0.2%)
REVENUE VEHICLE MILES						
Access	342,219	330,676	407,405	339,887	280,781	(17.4%)
Commuter Express	256,136	240,336	236,032	235,409	184,064	(21.8%)
Connect	475,240	490,135	630,351	571,779	583,675	2.1%
RSVP	-	4,221	30,720	10,686	9,369	(12.3%)
UNT	593,371	570,205	568,180	563,392	564,410	0.2%
NCTC	-	7,363	65,340	60,134	60,518	0.6%
TOTAL REVENUE MILES	1,666,966	1,642,936	1,938,028	1,781,288	1,682,816	(5.5%)
REVENUE HOURS						
Access	22,844	24,866	25,173	24,105	20,539	(14.8%)
Commuter Express	8,008	8,134	8,084	8,616	6,876	(20.2%)
Connect	34,432	35,612	42,076	39,190	39,599	1.0%
RSVP	-	776	3,072	1,691	1,577	(6.7%)
UNT	48,170	48,207	48,932	49,922	50,442	1.0%
NCTC	-	272	1,980	2,276	2,327	2.2%
TOTAL REVENUE HOURS	113,454	117,868	129,317	125,799	121,360	(3.5%)
PASSENGERS PER REVENUE HOUR						
Access	1.90	1.81	1.87	1.83	1.78	(2.9%)
Commuter Express	11.10	11.92	12.41	12.52	10.32	(17.6%)
Connect	7.30	8.14	7.27	8.61	8.59	(0.3%)
RSVP	-	0.93	0.83	0.96	0.87	(9.6%)
UNT	32.70	33.83	36.37	36.91	37.26	1.0%
NCTC	-	4.14	2.00	3.31	3.60	8.8%
AVERAGE	17.26	17.52	17.32	18.61	19.26	3.5%
COST PER REVENUE HOUR						
Access	\$ 54.98	\$ 49.23	\$ 69.59	\$ 57.62	\$ 74.00	28.4%
Commuter Express	113.34	89.86	96.96	80.19	90.66	13.1%
Connect	53.69	49.43	55.82	50.40	64.39	27.8%
RSVP	-	56.21	51.53	50.22	50.00	(0.4%)
UNT	53.21	47.09	52.56	43.69	54.95	25.8%
NCTC	-	61.51	84.70	54.69	71.78	31.2%
AVERAGE	\$ 57.96	\$ 51.29	\$ 60.18	\$ 51.23	\$ 63.54	24.0%
COST PER PASSENGER						
Access	\$ 29.34	\$ 27.13	\$ 37.21	\$ 31.42	\$ 36.39	15.8%
Commuter Express	10.23	7.54	7.81	6.40	9.08	41.8%
Connect	7.38	6.07	7.68	5.85	5.51	(5.9%)
RSVP	-	60.60	61.84	52.32	55.61	6.3%
UNT	1.63	1.39	1.45	1.18	1.09	(7.5%)
NCTC	-	14.85	42.35	16.52	13.18	(20.2%)
AVERAGE	\$ 3.36	\$ 2.93	\$ 3.48	\$ 2.75	\$ 2.61	(5.3%)
FARE REVENUE PER PASSENGER						
Access	\$ 2.45	\$ 2.71	\$ 2.76	\$ 2.45	\$ 2.45	(0.1%)
Commuter Express	2.25	2.01	2.06	1.77	1.77	(0.2%)
Connect	0.79	0.65	0.67	0.59	0.60	1.4%
RSVP	-	1.77	1.50	1.41	1.65	16.9%
UNT	1.40	1.27	1.30	1.23	1.31	7.1%
NCTC	-	16.15	17.61	15.26	14.48	(5.1%)
AVERAGE	\$ 1.38	\$ 1.26	\$ 1.31	\$ 1.23	\$ 1.24	0.6%
FAREBOX RECOVERY RATIO						
Access	8%	10%	7%	8%	6%	(24.5%)
Commuter Express	22%	27%	26%	28%	20%	(27.2%)
Connect	11%	11%	9%	10%	8%	(20.8%)
RSVP	-	3%	2%	3%	3%	0.0%
UNT	86%	91%	90%	104%	89%	(14.1%)
NCTC	-	109%	42%	92%	73%	(21.3%)
AVERAGE	41%	43%	38%	45%	47%	6.2%

DCTA BUS OPERATIONS KEY PERFORMANCE INDICATORS

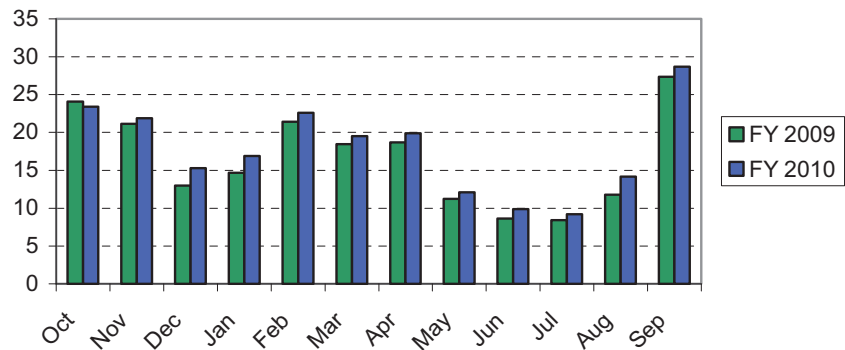
Ridership

Ridership

October 2009 - September 2010

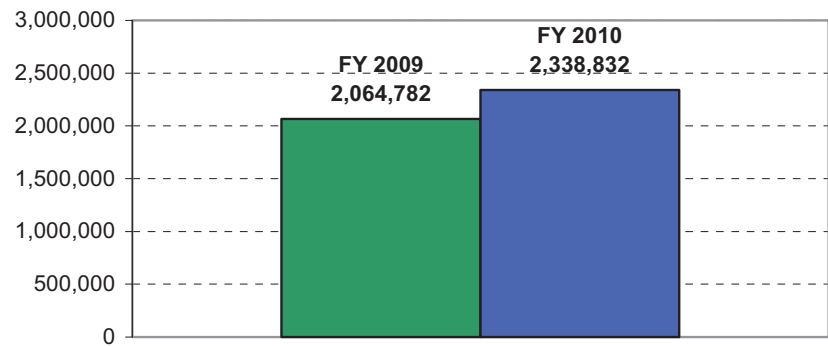
Systemwide Ridership per Revenue Hour

Systemwide ridership per revenue hour has increased year over year by 6% (FY10 18.5 vs. FY09 17.5). Fixed route and RSVP passengers per hour improved, while Access did not.



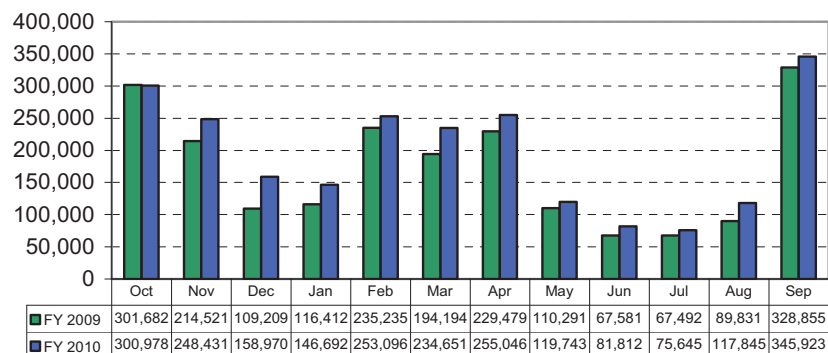
Systemwide Ridership

Ridership for the fiscal year is up 13% compared to last fiscal year.



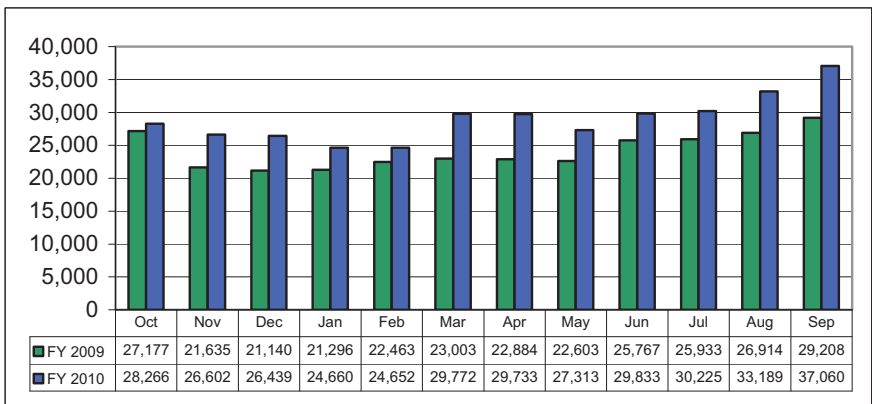
Systemwide Ridership by Month

Ridership increased nearly every month compared to FY 2009. In September 2010 system wide ridership was 345,923, which was an increase of 5% compared to the previous record ridership month of 328,855 in September 2009.



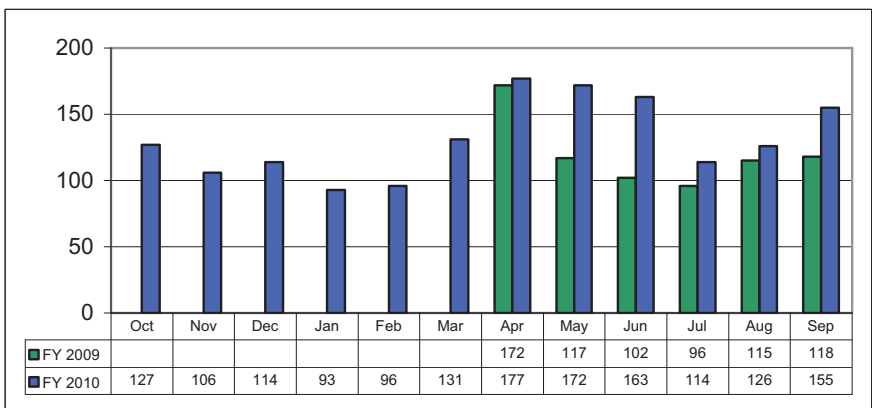
Connect Ridership

Connect carried a total of 347,744 passengers in FY 2010, which is a 20% increase over FY 2009 ridership of 290,023. Connect ridership for FY 2010 made up 15% of total ridership compared to 14% in FY 2009.



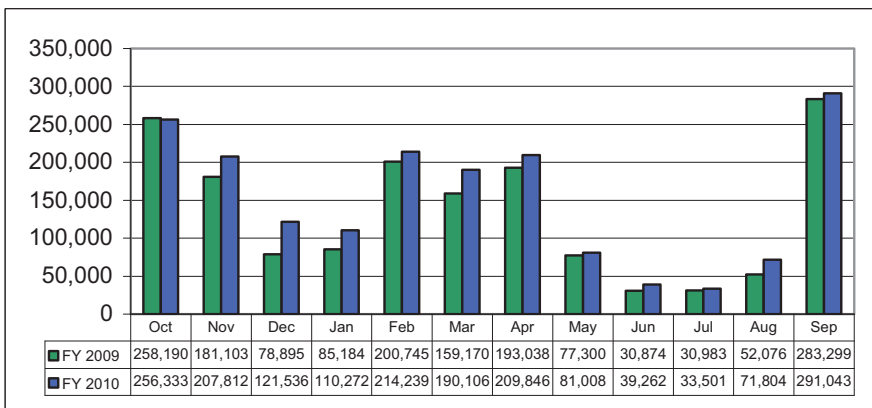
Connect RSVP Ridership

Connect RSVP carried a total of 1,574 passengers in FY 2010, which is a 119% increase over FY 2009 ridership of 720.



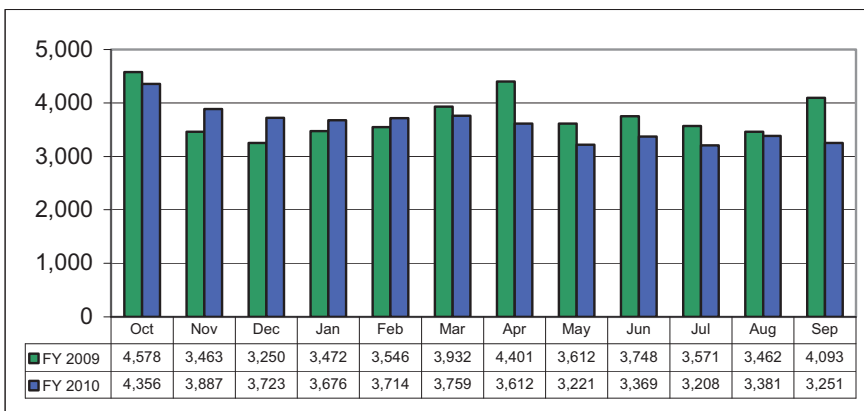
UNT Ridership

UNT Shuttle carried a total of 1,826,762 passengers in FY 2010, which is a 12% increase over FY 2009 ridership of 1,630,857. For FY 2010 UNT passengers made up 78% of total ridership compared to 79% in FY 2009.



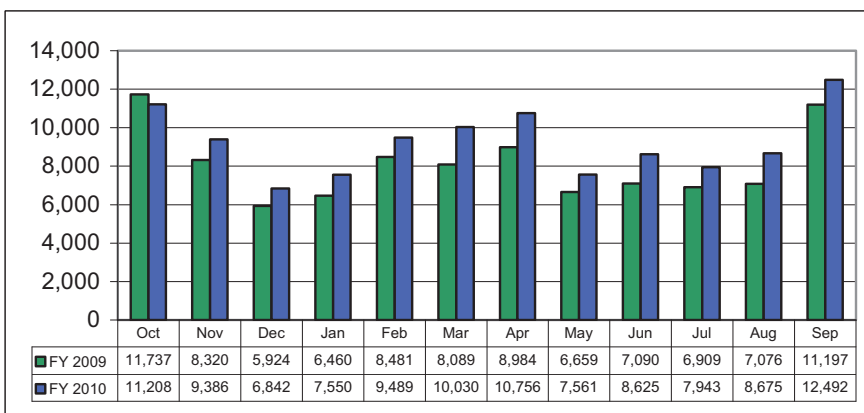
Access Ridership

Access carried a total of 43,157 passengers in FY 2010, which is a 4% decrease from FY 2009 ridership of 45,128. For FY 2010 Access made up 2% of total ridership.



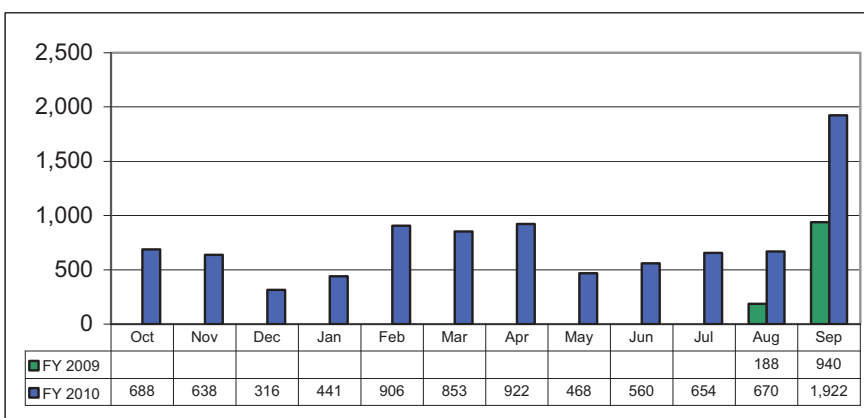
Commuter Express Ridership

Commuter Express carried a total of 110,557 passengers in FY 2010, which is an increase of 14% over FY 2009 ridership of 96,926. For FY 2010 Commuter Express made up 5% of total ridership.



NCTC Ridership

NCTC Shuttle carried a total of 9,038 passengers in FY 2010, which is an increase of 700% over FY 2009 ridership of 1,128.



Customer Satisfaction

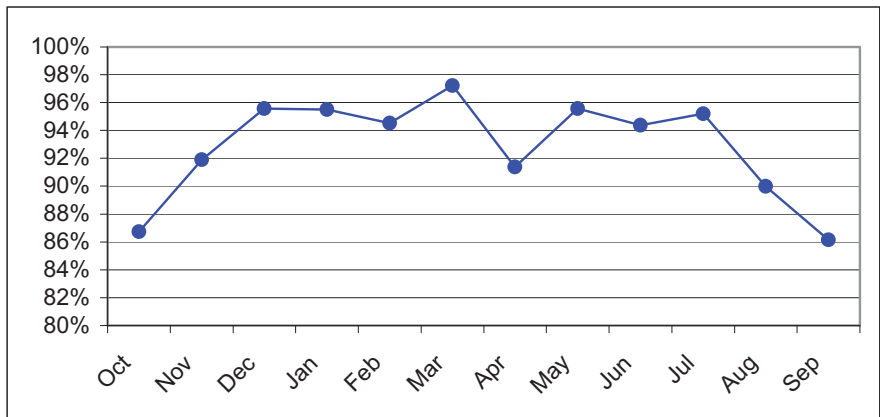
Systemwide Performance

October 2009 - September 2010

Systemwide On-Time Performance

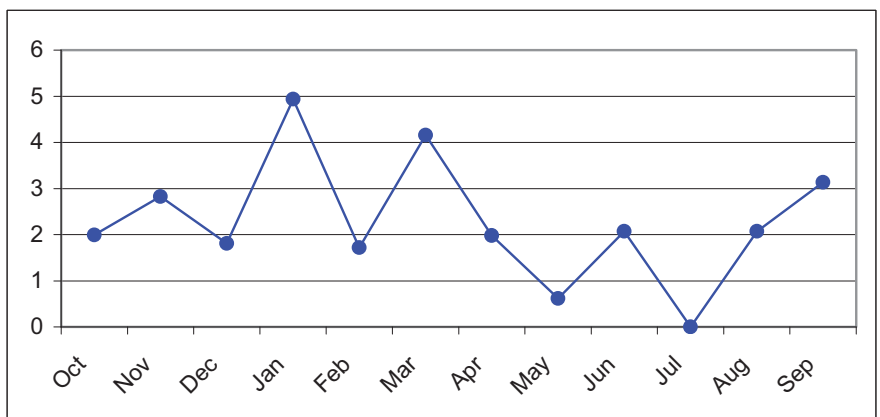
Systemwide on-time performance to date is 92.7%. 7,775 performance audits were conducted during fiscal year 2010. Staff is working on a data collection plan that will allow us to adequately gauge on-time performance.

Performance Measures



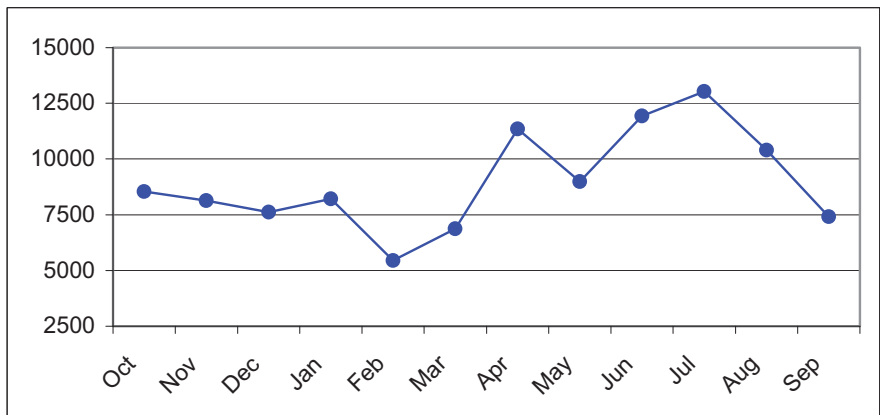
Systemwide Accidents per 100k Miles

While DCTA aims for zero accidents, we have set a goal of no more than 2 accidents per 100,000 miles. Fiscal year 2010 averaged 2.31 accidents per 100,000 miles.



Miles Between Road Calls

DCTA has averaged 8,995 miles between road calls in FY10.

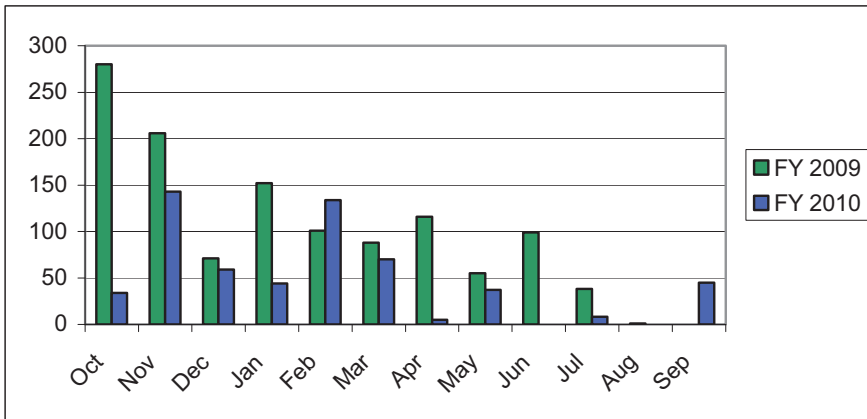


Access

October 2009 - September 2010

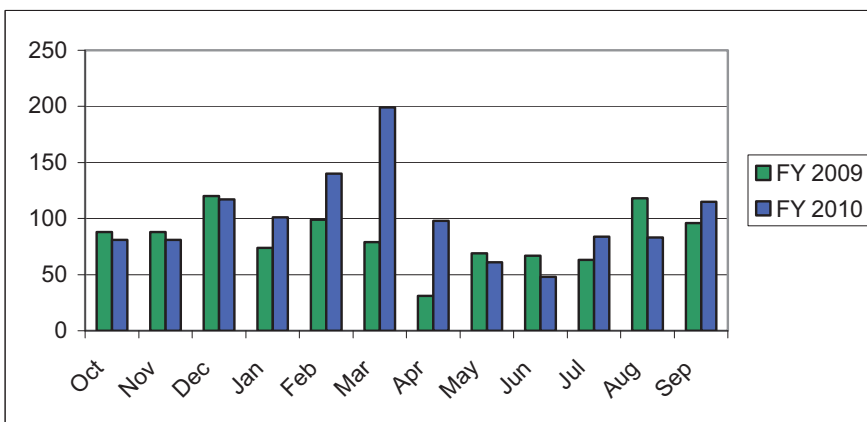
Trip Denials

Trip denials for fiscal year 2010 have decreased from last fiscal year by 52%. Total trip denials to date for this fiscal year are 579.



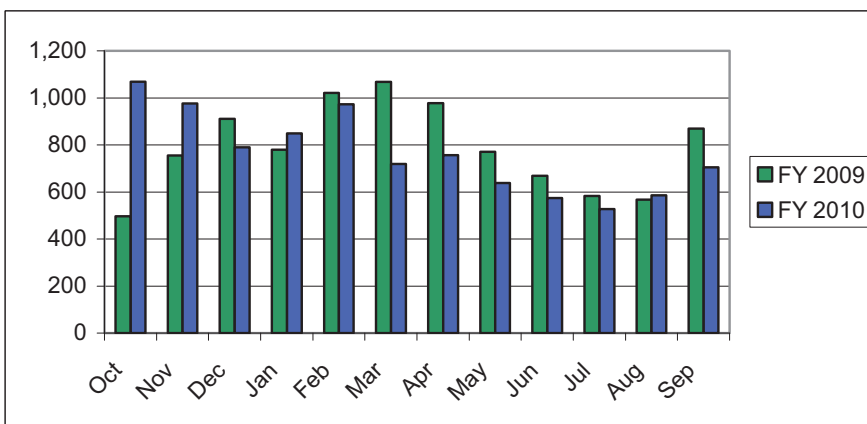
No-Shows

No-shows for fiscal year 2010 have increased from last year by 22%. No-shows to date are 1,208.



Non-ADA Ridership

Non-ADA ridership for fiscal year 2010 date has decreased by 3%. Non-ADA ridership for fiscal year 2010 is 9,160.



Denton County Community Profile

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

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



Board of Directors Memo

September 23, 2010

Subject: 4(c) Approve Resolution 10-11 Adopting FY11 Operating & Capital Budget and Contingency Plan

Background

The Texas Transportation Code Chapter 460 requires the preparation of an annual budget for DCTA. The DCTA Board adopted an annual operating budget development procedure and budget amendment procedure in 2004. DCTA staff has prepared the proposed FY 2011 budget and presented it to the Finance Committee on August 17, 2010. This proposed budget is being submitted to the Finance Committee in accordance with DCTA policy and procedures.

DCTA staff has prepared a balanced budget, where expenses and capital expenditures do not exceed current year revenues and reserve balances.

Recommendations from the Finance Committee and Board have been incorporated and the FY11 Budget is being presented for consideration and adoption by the Board at the September 23, 2010 Board meeting.

The proposed Budget contains revenue and expenditure assumptions for FY11, which include strategic plans for advancement of the Rail Project, capital expenditures, and bus transit services.

This agenda item includes the following:

- Exhibit A - Change in Net Assets Compared to FY2010 Budget
- Exhibit B - Five Year Capital Plan
- Exhibit C - FY2011 Budget Contingency Plan
- Exhibit D - Cash Flow Model Summary with FY11 Budget Impact

Identified Need

Adoption of the FY2011 Budget in compliance with state law as required by Texas Transportation Code Chapter 460.

Committee Review

The proposed FY 2011 budget was been reviewed and revisions recommended by the Finance Committee over the past several months have been incorporated. The proposed budget was presented to the Board at its regular meeting in August. No changes were recommended by the Board.

Financial Impact

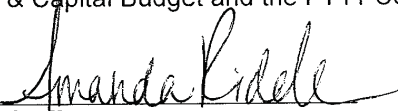
The FY 2011 Budget document details the financial obligations committed to by the Board upon adoption.

4c


Recommendation

Staff recommends the Board of Directors approve Resolution 10-11 to adopt the FY 2011 Operating & Capital Budget and the FY11 Contingency Plan.


Submitted by:


Staff

Final Review:


Anna Mosqueda, CFO

Approval:


Jim Witt, CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 10-11**

A RESOLUTION PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2010 - 2011, BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH THE BUDGET AS ADOPTED; ADOPTING THE BUDGET CONTINGENCY PLAN FOR FISCAL YEAR 2010 - 2011; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the prepared budget has been presented to the public for review and comment; and

WHEREAS, the budget 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 2010 - 2011 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 2010 - 2011 attached as Exhibit "A" and Exhibit "B", and the Budget Contingency Plan FY 2010 - 2011, attached as Exhibit "C", 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 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.

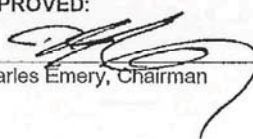
SECTION 3. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2009-2010 are hereby ratified, and the budget for fiscal year 2009-2010, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

69216

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON
COUNTY TRANSPORTATION AUTHORITY THE 23rd DAY OF SEPTEMBER, 2010.

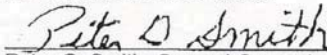
APPROVED:


Charles Emery, Chairman

ATTEST:


Dorothy Palumbo, Secretary

APPROVED AS TO FORM:


Peter G. Smith, General Counsel
(PGS:09-08-10:45168)

Resolution Adopting Fiscal Year 2011 Operating and Capital Budget cont.

Fiscal Year 2011 Denton County Transportation Authority Budget Statements of Changes in Net Assets - Budget Format

Exhibit A

Description	FY10 Original Budget	FY10 Revised Budget	YTD Actuals thru July 31, 2010	FY11 Budget	Variance Budget to Revised
Revenue & Other Income					
Passenger Revenues (Bus Farebox)	479,073	451,462	347,396	361,710	(89,752)
Passenger Revenues (Rail Farebox)	-	-	-	616,556	616,556
Contract Service Revenue	2,509,862	2,501,612	2,050,963	2,577,439	75,827
Sales Tax Revenue	14,882,361	15,474,651	13,036,314	16,050,509	575,858
Federal/State Grants & Reimbursements	147,969,249	125,736,923	82,494,291	65,921,579	(59,815,344)
Total Revenue & Other Income	165,840,545	144,164,648	97,928,963	85,527,794	(58,636,854)
Operating Expenses					
Salary, Wages and Benefits	6,349,148	6,249,147	4,844,029	6,394,089	144,942
Services	3,658,577	1,933,228	1,236,197	8,966,776	7,033,548
Materials and Supplies	2,357,859	1,874,616	1,387,928	2,018,237	143,621
Utilities	77,820	77,820	63,023	112,416	34,596
Insurance, Casualties and Losses	360,876	360,876	297,230	361,248	372
Miscellaneous	183,960	185,260	110,713	181,003	(4,257)
Leases and Rentals	1,661,820	325,800	270,543	892,265	566,465
Depreciation	933,231	933,232	809,805	6,566,380	5,633,148
Total Operating Expenses	15,583,292	11,939,978	9,019,469	25,492,414	13,552,436
Income Before Non-operating Revenue & Expense	150,257,253	132,224,670	88,909,495	60,035,380	(72,189,290)
Non-Operating Revenues / (Expense)					
Investment Income	393,172	97,291	73,099	414,890	317,599
Misc Income	-	14,877	960,437	75,661	60,784
Long Term Debt Interest/Expense	(1,337,769)	(994,637)	(820,909)	(833,511)	161,126
Debt Issuance	7,000,000	-	-	-	-
Total Non-Operating Revenue / (Expense)	6,055,403	(882,469)	212,628	(342,960)	539,508
Change in Net Assets	156,312,656	131,342,201	89,122,123	59,692,419	(71,649,782)
Net Assets, Beginning of Year	37,237,879	37,237,879		40,004,631	2,766,752
Net Assets, End of Year	193,550,535	168,580,080		99,697,050	(68,883,030)
Transfer to Capital Projects	(149,860,143)	(128,575,449)	(94,706,933)	(98,788,295)	29,787,154
Net Assets After Transfer to Capital Projects	43,690,392	40,004,631		908,755	(39,095,876)

Resolution Adopting Fiscal Year 2011 Operating and Capital Budget cont.

Denton County Transportation Authority
Change in Net Assets
Fiscal Year 2011 Budget
Budget Basis

Description	FY10 Revised Budget	YTD Actuals thru July 31, 2010	FY11 Budget	% Increase / (Decrease)
Revenue & Other Income				
Passenger Revenues (Bus Farebox)	451,462	347,396	361,710	-19.88%
Passenger Revenues (Rail Farebox)	-	-	616,556	
Contract Service Revenue	2,501,612	2,050,963	2,577,439	3.03%
Sales Tax Revenue	15,474,651	13,036,314	16,050,509	3.72%
RTRFI Funding	121,019,742	80,321,765	60,706,246	-49.84%
Federal/State Grants & Reimbursements	4,717,181	2,172,526	5,215,333	10.56%
Total Revenue & Other Income	144,164,648	97,928,963	85,527,794	-40.67%
Operating Expenses				
DCTA				
Salary, Wages and Benefits - DCTA	1,627,518	1,249,748	1,512,851	-7.05%
Services - DCTA	1,601,215	1,002,768	8,615,578	438.07%
Materials and Supplies - DCTA	121,504	79,120	118,435	-2.53%
Utilities - DCTA	15,120	12,183	16,016	5.93%
Insurance, Casualties and Losses - DCTA	6,420	5,349	6,792	5.79%
Miscellaneous - DCTA	176,160	108,864	178,783	1.49%
Leases and Rentals - DCTA	159,456	134,518	766,950	380.98%
Depreciation - DCTA	14,889	23,318	5,579,058	37371.91%
Subtotal - DCTA	3,722,281	2,615,869	16,794,463	351.19%
TMDC				
Salary, Wages and Benefits - TMDC	4,621,629	3,594,281	4,881,238	5.62%
Services - TMDC	332,013	233,429	351,198	5.78%
Materials and Supplies - TMDC	1,753,112	1,308,808	1,899,802	8.37%
Utilities - TMDC	62,700	50,840	96,400	53.75%
Insurance, Casualties and Losses - TMDC	354,456	291,881	354,456	0.00%
Miscellaneous - TMDC	9,100	1,849	2,220	-75.60%
Leases and Rentals - TMDC	166,344	136,025	125,315	-24.67%
Depreciation - TMDC	918,343	786,487	987,322	7.51%
Subtotal - TMDC	8,217,697	6,403,599	8,697,951	5.84%
Total Operating Expenses	11,939,978	9,019,467	25,492,414	113.50%
Income Before Non-operating Revenue & Exp	132,224,670	88,909,496	60,035,379	
Non-Operating Revenues / (Expense)				
Investment Income	97,291	73,099	414,890	326.44%
Misc Income	14,877	960,437	75,661	408.57%
Long Term Debt Interest/Expense	(994,637)	(820,909)	(833,511)	-16.20%
Total Non-Operating Revenue / (Expense)	(882,469)	212,627	(342,960)	-61%
Change in Net Assets	131,342,201	89,122,123	59,692,419	
Net Assets, Beginning of Year	37,237,879		40,004,631	
Net Assets, End of Year	168,580,080		99,697,050	
Transfer to Capital Projects	(128,575,449)	(94,706,933)	(98,788,295)	
Change in Net Assets After Transfer to Capital	40,004,631		908,755	

Exhibit B

Capital Improvement Plan

PROJECT NAME	Project Number	Original Project Budget	5 Year Capital Improvement Plan FY10 Approved Project Budget	Total Project Budget	LTD Expenses thru FY09	Total FY10 Revised	FY11 Appropriation	FY12	FY13	FY14	FY15	PROJECT TOTAL
BUS OPERATIONS												
Passenger Amenities (Phase 1)	50201	144,000	144,000	88,685	-	88,685	-	-	-	-	-	88,685
Passenger Amenities (Phase 2)	50202	174,011	174,011	229,326	-	173,598	55,728	-	-	-	-	229,326
Bus O&M Facility	50301	8,142,867	2,370,950	11,632,717	1,355,299	635,598	-	-	-	-	9,641,821	11,632,717
Bus Maintenance Equipment	50302	500,000	500,000	50,635	-	50,635	-	-	-	-	-	50,635
Security System Video Units	50401	129,837	110,289	129,837	-	94,837	35,000	-	-	-	-	129,837
Paratransit Scheduling Systems	50403	180,000	180,000	180,000	-	180,000	-	-	-	-	-	180,000
Electronic Fareboxes	50405	445,000	445,000	-	-	-	-	-	-	-	-	-
Fleet Replacement 2010	50502	1,968,500	1,968,500	3,176,615	-	279,705	2,002,545	894,365	-	-	-	3,176,615
NCTC Bus Purchase	50503	70,000	70,000	60,784	-	60,784	-	-	-	-	-	60,784
Hebron Park & Ride	50701	3,325,000	3,364,983	3,375,140	1,232,498	1,725,244	417,399	-	-	-	-	3,375,140
Total Bus Capital Projects		15,079,015	9,327,733	18,923,739	2,587,795	3,289,086	2,510,672	894,365	-	-	9,641,821	18,923,739
RAIL DEVELOPMENT												
Line Construction	61101	143,300,000	140,153,137	140,153,137	34,881,399	68,185,507	37,086,231	-	-	-	-	140,153,137
Medpark Station	61201	8,863,334	9,820,202	9,820,362	3,253,335	2,754,274	3,812,753	-	-	-	-	9,820,362
Downtown Denton Station	61202	-	1,000,805	1,250,805	0	332,906	917,898	-	-	-	-	1,250,805
HWLV Lake Station	61203	6,405,333	5,528,204	6,359,351	2,961,983	1,839,502	1,557,866	-	-	-	-	6,359,351
Old Town Lewisville Station	61204	7,783,333	8,575,413	8,463,305	3,042,400	2,936,738	2,484,168	-	-	-	-	8,463,305
Hebron Station	61205	-	1,167,469	1,169,659	47,321	937,335	185,003	-	-	-	-	1,169,659
MedPark Extension	61206	1,000,000	1,000,000	1,000,000	-	-	-	-	1,000,000	-	-	1,000,000
Rail O&M Facility	61301	21,628,000	20,816,157	21,308,631	2,852,575	7,205,957	11,250,000	-	-	-	-	21,308,631
Fare Collection Systems	61401	569,000	569,000	569,000	0	469,000	80,000	-	-	-	-	569,000
Communication System	61402	1,000,000	2,936,075	2,936,075	-	2,009,539	926,536	-	-	-	-	2,936,075
Traffic Signals	61403	2,480,000	2,841,612	2,841,612	-	2,313,270	528,342	-	-	-	-	2,841,612
Railroad Signal System/Crossing	61404	9,920,000	11,989,000	11,989,000	(0)	8,803,135	3,185,865	-	-	-	-	11,989,000
Positive Train Control	61405	-	290,491	10,990,491	-	290,491	-	-	-	5,350,000	-	10,990,491
Rail Cars	61501	71,500,000	76,805,376	79,795,524	18,463,016	12,215,506	22,848,325	26,268,677	-	-	-	79,795,524
Professional Services	61601	26,200,000	21,479,980	23,766,307	15,746,722	5,475,102	2,544,483	-	-	-	-	23,766,307
CM/IGC Pre-Construction	61602	-	521,315	522,315	521,315	1,000	-	-	-	-	-	522,315
Trail Relocation - North Region	61701	2,800,000	2,501,240	2,501,240	0	1,444,545	1,056,695	-	-	-	-	2,501,240
Project Management - DCTA Internal	61702	-	388,725	316,695	31,372	285,323	-	-	-	-	-	316,695
Rail Corridor - DART	61703	10,000,000	15,015,035	15,046,995	22,985	7,524,000	7,500,000	-	-	-	-	15,046,995
Neighborhood Sound Mitigation	61706	-	470,000	470,000	-	243,235	226,765	-	-	-	-	470,000
Total Rail Capital Projects		313,269,000	323,970,226	341,270,504	81,824,533	125,286,364	96,190,930	26,268,677	1,000,000	5,350,000	5,350,000	341,270,504
G&A OPERATIONS												
Financial Software Package	80401	206,511	206,511	206,511	-	-	86,693	97,668	22,250	-	-	206,511
Total G & A Capital Projects		206,511	206,511	206,511	-	-	86,693	97,668	22,250	-	-	206,511
TOTAL CAPITAL PROJECTS BUDGET		328,554,526	333,504,470	360,400,754	84,412,329	128,575,449	98,786,294	27,260,610	1,022,250	5,350,000	14,991,821	360,400,754
SOURCE OF FUNDING												
State Grants (RTRFI Included)				250,360,000	63,543,464	121,019,742	60,705,246	5,090,519	-	-	8,341,150	250,360,000
Federal Grants				14,588,661	-	2,519,025	2,514,121	894,365	-	-	-	14,588,661
Operating Funds				95,472,093	20,865,836	5,036,693	35,267,927	21,275,726	1,022,250	5,350,000	6,650,671	95,472,093
TOTAL FUNDING				360,400,754	84,412,329	128,575,449	98,786,294	27,260,610	1,022,250	5,350,000	14,991,821	360,400,754

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4(d)



Board of Directors Memo

September 23, 2010

Subject: 4(d) Approve resolution adopting revised cash flow model

Background:

This revised cash flow model updates the cash flow model adopted by the Board in June of 2010. It incorporates the adopted FY11 budget and serves as DCTA's financial plan.

Identified Need:

Financial Impact:

Committee Review:

Finance Committee, Executive Committee and the Board have reviewed over the past several months as part of the FY11 budget process

Recommendation:

Staff recommends approval.

Submitted by: _____

Staff

Final Review: _____

Anna Mosqueda, CFO

Approval: _____

Jim Pitt, CEO

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 10-12**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY ("DCTA") ADOPTING THE DCTA 2010 CASH FLOW MODEL ATTACHED HERETO AS EXHIBIT "A"; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THAT:

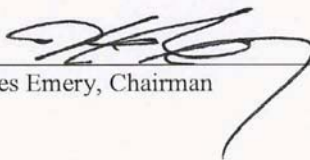
SECTION 1. The DCTA 2010 Cash Flow Model attached hereto as Exhibit "A" be and the same is hereby adopted.

SECTION 2. That all provisions of the resolutions of the Board of Directors of the DCTA, 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 3. This resolution shall become effective immediately upon its passage and approval.

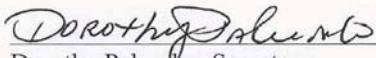
DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 23RD DAY OF SEPTEMBER, 2010.

APPROVED:




Charles Emery, Chairman

ATTEST:



Dorothy Palumbo, Secretary

APPROVED AS TO FORM:



Peter G. Smith, General Counsel
(PGS:09-15-10:45307)

4d

Adopted Cash Flow Model
(Exhibit A: Assumptions to Cash Flow Model)

	2010	2011	2012	2013	2014	2015	TOTAL
Beginning Fund Balance	\$ 228,737,266	\$ 113,887,754	\$ 20,652,003	\$ 6,274,973	\$ 7,084,314	\$ 9,565,823	\$ 228,737,266
Operating Reserve	2,656,066	4,580,867	4,975,974	4,931,954	5,100,675	5,256,750	5,256,750
Beginning Available Cash	\$ 226,081,200	\$ 109,306,887	\$ 15,676,029	\$ 1,343,019	\$ 1,983,639	\$ 4,309,073	\$ 223,480,516
Bus Revenue							
UNT Contract	\$ 2,310,721	\$ 2,432,592	\$ 2,521,130	\$ 2,606,873	\$ 2,686,673	\$ 2,767,777	\$ 15,325,767
Farebox/Other Contract Revenue	\$ 642,354	\$ 506,558	\$ 511,623	\$ 516,740	\$ 521,907	\$ 579,317	\$ 3,278,498
Bus Operating Expenses							
UNT Operating Expenses	(1,659,887)	(1,828,914)	(1,913,580)	(1,996,017)	(2,073,126)	(2,152,209)	(11,623,733)
Other Operating Expenses	(5,561,947)	(5,881,715)	(5,838,039)	(5,947,395)	(6,173,016)	(6,406,251)	(35,808,364)
Rail Revenue							
Rail (G&A) Operating Expenses	(417,534)	616,557	1,436,156	1,214,843	1,406,459	1,439,764	6,113,779
Rail Purchased Services	-	(1,034,226)	(1,029,749)	(622,057)	(645,353)	(605,625)	(4,354,543)
G&A Operating Expenses							
Non-Operating Revenues	(2,984,896)	(3,003,318)	(2,577,901)	(2,685,453)	(2,780,166)	(2,870,110)	(16,901,844)
Operating Grants	17,222,062	16,541,060	16,574,488	16,872,487	17,244,934	17,621,925	102,076,956
	2,694,251	1,902,711	2,822,331	2,774,571	2,665,289	2,718,594	15,577,747
Net Income (Operating)	\$ 12,245,124	\$ 3,073,435	\$ 3,531,424	\$ 4,257,696	\$ 4,122,563	\$ 4,100,379	\$ 31,330,621
Debt Service	(916,759)	(833,511)	(1,579,005)	(2,464,006)	(2,463,694)	(2,461,986)	(10,718,959)
Net Income After Debt	\$ 11,328,365	\$ 2,239,924	\$ 1,952,419	\$ 1,793,691	\$ 1,658,869	\$ 1,638,393	\$ 20,611,662
Capital Grants	2,397,572	3,312,619	931,161	37,899	822,640	9,798,287	17,300,178
Debt Issuance	-	-	10,000,000	-	-	-	10,000,000
Capital Expenses	(128,575,449)	(98,788,295)	(27,260,609)	(1,022,250)	-	(9,641,821)	(265,288,424)
Ending Available Cash	\$ 111,231,688	\$ 16,071,135	\$ 1,299,000	\$ 2,152,359	\$ 4,465,148	\$ 6,103,933	\$ 6,103,933
Debt Service Coverage Ratio	13.36	3.69	2.24	1.73	1.67	1.67	1.67

June 24, 2010 Adopted Cash Flow Model:

Ending Available Cash	\$114,767,036	\$15,311,082	\$672,775	\$1,488,200	\$3,757,148	\$5,751,556
Debt Service Coverage Ratio	13.35	4.20	2.48	1.70	1.65	1.65

Prepared by: DCTA Finance Dept
Original Release Date: September 23, 2010

Printed: 9/23/2010 3:13 PM

4(d)

EXHIBIT A
SEPTEMBER 24, 2010
CASH FLOW MODEL ASSUMPTIONS

This model incorporates the same operating and revenue assumptions for escalators included in the June 2010 cash flow model.

Assumption for issuance of new debt remains the same at \$10,000,000 in early 2012 (25 year debt at 5.5% interest) and, A-train Revenue Service Date of June 2011 with Monday-Friday service window as follows:

- Rail - AM Peak: 18 trips
- Bus - Mid-day: 4 trips
- Rail - PM Peak: 22 trips

The following are unfunded capital and operating needs not included in this model:

1. Unfunded short-term capital needs
 - Design and implementation of Positive Train Control (PTC)
 - DCTA bus fleet replacement
 - UNT bus fleet replacement
2. Costs for any potential or pending litigation
3. Additional land acquisition beyond those parcels already purchased for the rail stations and rail O&M facility.
4. No additional Peak or Off-Peak A-train service
5. No changes in Bus Fixed Route frequency

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Governmental Accounting Standards Board (GASB) - An organization whose main purpose is to improve and create accounting reporting standards or generally accepted accounting principles (GAAP). These standards make it easier for users to understand and use the financial records of both state and local governments. The Government Accounting Standards Board (GASB) is funded and monitored by the Financial Accounting Foundation (FAF).

Grants – Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reserves – Funds set aside for economic uncertainties.

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

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

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

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