

# DENTON COUNTY TRANSPORTATION AUTHORITY

LEWISVILLE, TX



OPERATING & CAPITAL BUDGET

FY 2012

**DCTA**

**Denton County Transportation Authority  
2011-12 Operating & Capital Budget**

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

## **OUR VISION**

Be a leader in advancing public transportation alternatives.

## **OUR MISSION**

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

## **OUR UNITY STATEMENT**

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

## **OUR CORE VALUES**

- **Accountability**

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

- **Commitment**

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

- **Excellence**

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

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- **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, 2010**

A stylized, handwritten signature in dark ink, likely belonging to the President of the GFOA.

President

A handwritten signature in dark ink, likely belonging to the Executive Director of Denton County Transportation Authority.

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, 2010. 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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## DOWNTOWN DENTON

520 E. HICKORY, DENTON TX

# UNITE



RAIL STATION & TRANSIT CENTER | SERVED BY 9 CONNECT ROUTES  
WALK TO DENTON TOWN SQUARE | 73 PARKING SPACES



Denton County Transportation Authority  
1660 S. Stemmons, Suite 250 • Lewisville, TX 75067  
972-221-4600 • fax 972-221-4601 • [www.dcta.net](http://www.dcta.net)

Dear Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2012 Operating and Capital Budget for Denton County Transportation Authority (DCTA). Chapter 460 of the Texas Transportation Code requires the preparation of an annual budget for DCTA. This budget was created in accordance with this requirement and is consistent with DCTA Board policy and administrative procedures. The budget presented is a balanced budget with current revenues and reserves fully covering operating and capital requirements for the fiscal year and supporting the cash flow model for the next five years.

This fiscal year represents another significant milestone year for DCTA. The FY12 Budget reflects the first full year of operation for the A-train, DCTA's passenger commuter rail service. This is a major step forward in providing an integrated public transportation service for Denton County. It also includes funding for the completion of the long range service plan that provides a framework for service delivery. It incorporates a long-range financial model that serves as a planning 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 agency. The budget provides a roadmap 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, as a regional partner, 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 2012 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 2011, the year just completed, was no exception. Those accomplishments are detailed on pages 22 & 23 of this budget document.

## Budget Message cont.

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The budget process is structured to allow staff, the Finance Committee and the Board of Directors adequate time for review and analysis of the key components of the budget. In December 2010 the Board adopted the rolling five-year cash flow model that served as the foundation for the development of the FY12 Budget. The initial budget process began in March/April with the identification of agency goals and development of department objectives and performance measures. After identifying all revenue sources available to the agency for FY2012, staff began the process of developing the operating budget consistent with Board Mission Statement and adopted Goals. The final step in creating the FY 2012 budget was identifying a five-year capital plan and the operating impact of that capital plan. At 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 FY12 Budget and the updated Cash Flow Model at its September 2011 meeting.

### BUDGET SUMMARY

The development of any budget is always challenging because needs for services are great and outweigh the available resources. Although economic and market conditions have shown some improvement over last year, the current economic climate continues to fluctuate. This uncertainty and volatility has made the development of this year's budget a challenge. With that as the background, revenue projections included in this budget are conservative. 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. This first full operating year will be challenging as DCTA completes the final portion of its \$340+ million commuter rail capital project. A detailed narrative of the components that build the FY12 budget is provided on pages 31 – 35 of this document. Following is a brief summary:

Revenues for FY2012 are projected at \$31.6 million, a decrease of 73% over FY11 revised budget amount of \$116.7 million. An additional \$30.3 million will be utilized from unreserved fund balance for a total of \$61.9 million. The rail capital project is substantially complete and is reflected by the reduction of state grant reimbursements by approximately \$72 million compared to FY11. The portions of the rail project which will be completed in FY12 include \$1.2 million for the last phase of construction and acceptance of the rail operations and maintenance facility and \$28 million for acquisition rail vehicles. FY11 also included a new money debt issuance of \$14.3 million.

DCTA received \$4.1 million in American Recovery and Reinvestment Act (ARRA) funds in 2010; \$2.3 million was programmed in the FY11 budget. The FY12 budget includes \$86,000 in ARRA funding. Receiving the ARRA funds allowed the agency to reprogram existing federal formula funds to other project needs. Another major revenue source for DCTA is sales tax. Although there has been much instability in economic conditions and market fluctuations at the national and state level, Denton County has experienced less of

## Budget Message cont.

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this volatility when compared to other regions. DCTA has seen an improvement in sales tax receipts between FY10 and FY11. Sales tax is budgeted at a 3% increase for FY12 resulting in an additional \$493,000 in projected sales tax revenue. This budgeted increase tracks well with historic trends and recent performance.

The expense portion of the budget includes operating and capital. Total budgeted expenses (including depreciation) are \$61.9 million for the FY12 budget. Capital comprises 63.2% of the total. Operating expenses total \$25.8 million and reflects an increase of \$7.2 million or 39% over the previous year (revised FY11). The major increases in the expenditure portion of the budget are due a \$2.3 million increase in Purchased Transportation for the first full year of A-train operations and \$3.7 increase in depreciation as a result of completion of the rail project construction.

- \$7.5 million is budgeted for Purchased Transportation for contracted service for train operations, dispatch and related maintenance service for the A-train. This reflects the first full year of operations.
- \$602,812 increase in Leases and Rentals reflects a full year for lease of the Rail Diesel Car (RDC) lease from DART as well as the first annual payment of \$150,000 for the DART Right of Way lease payment
- One (1) Expanded Level Projects is approved in the FY12 budget. In response to the increased customer service demand as a result of the new rail service one (1) full time employee is added at the Downtown Denton Transit Center for Customer Service support.
- Fuel is budgeted at \$3.75 per gallon and also includes one full year of operation for the A-train. This accounts for the majority of the \$967,244 increase in the Materials and Supplies category compared to FY11.
- An increase of \$450,000 in annual debt service expense due to the issuance of 14.4 million of contractual obligations in September of 2011.
- An increase of 10% in health care benefits based on anticipated increase in costs, resulting in an \$87,000 thousand increase over FY11
- 3% merit pay (pay for performance for DCTA employees) is included in this budget. This is an increase of approximately \$26,000 to allow for merit pay based on employee performance evaluations. \$25,000 is also budgeted for adjustments to pay ranges. In FY10, after review of competitive market ranges, the first steps were taken to help DCTA move toward attaining a competitive position. The plan outlined was to phase in adjustments to the pay ranges that fell below the market midpoint. This incorporates the last phase of that market adjustment for positions that fell below the mid-point of the market. A market comparison will be conducted every 2 years with a goal to stay within mid-point of the market range. 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.

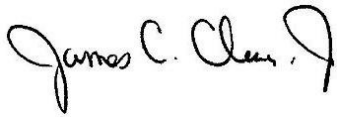
## Budget Message cont.

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In FY12, capital projects still represent a major activity for DCTA. The focus in FY12 will be significantly different. It will be on service delivery, and operating and maintaining the agency's investment in 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 \$34.8 million in capital projects in FY12, which is an \$89.9 million decrease over the FY11 budget. Of the total planned for capital projects, \$33.3 is related to rail services and \$1.5 for bus services. The rail capital project component includes \$1.2 million for the completion of construction of the rail operations and maintenance facility by the 1st Qtr. of FY12 and \$28 million for acquisition of new rail vehicles. Capital projects planned for bus services include vehicle replacement, passenger amenities and technology related projects.

This budget continues our commitment to respond to stakeholders' needs with quality service in a fiscally responsible manner. It also continues to move DCTA forward toward achieving 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,



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



Anna Mosqueda  
V-P Finance/CFO

## Board of Directors

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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  
Richard Moore  
City of Denton



Board Treasurer  
Jeff Snowden  
City of Frisco



Board Member  
Dave Kovatch  
City of The Colony



Board Member  
Skip Kalb  
Small Cities



Board Member  
Daniel Pugh  
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  
Michael Leavitt  
City of Highland Village



Board Member  
Tom Spencer  
Small Cities

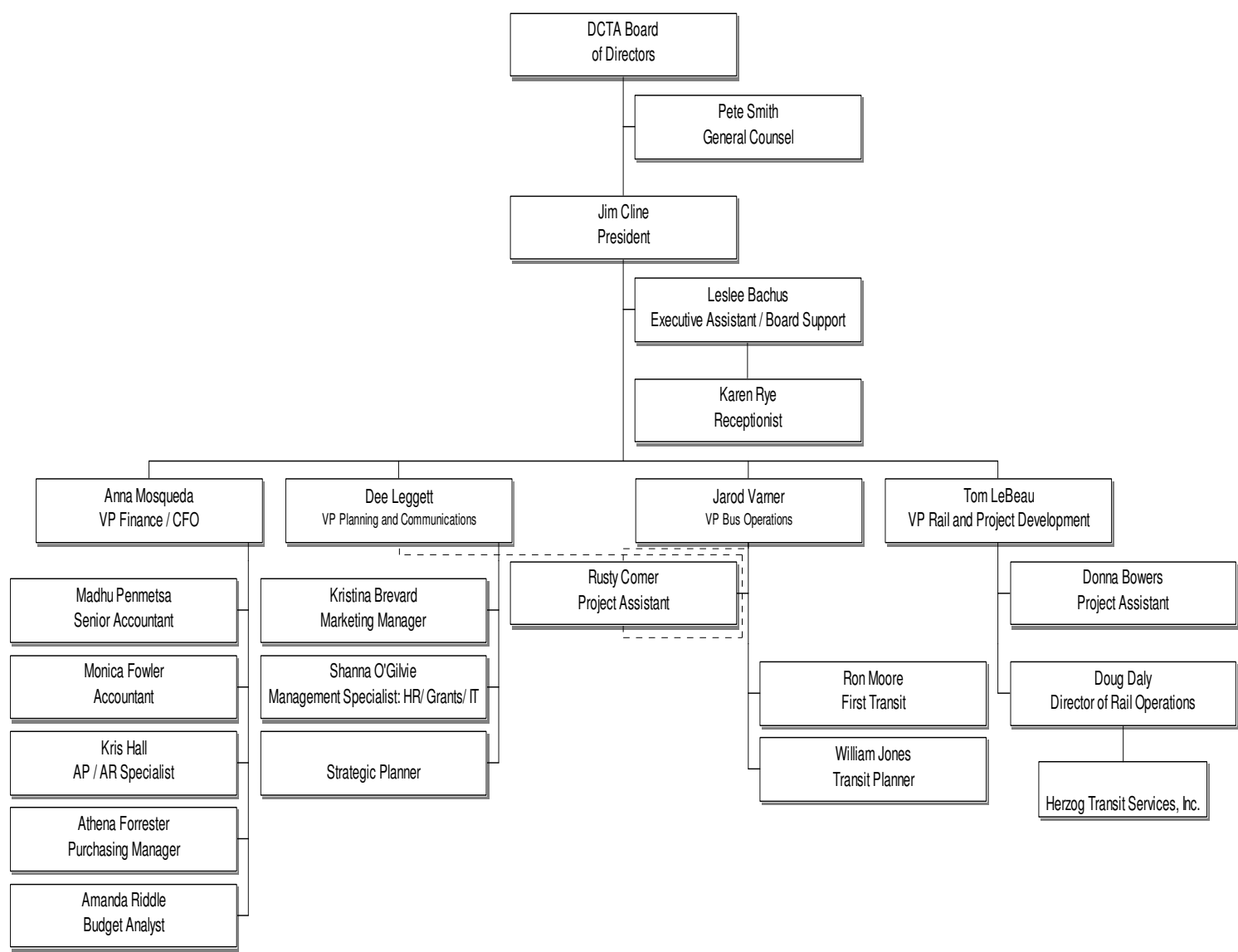


Board Member  
Bill Walker  
Small Cities

Board Member  
Vacant

Denton County Unincorporated

DCTA ORGANIZATION CHART



### **DCTA AT A GLANCE**

Denton County Transportation Authority (DCTA) 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 connections to Downtown Dallas and Fort Worth.

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 outlined in the Service Plan which serves 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, the A-train now links riders from Denton County to Dallas Area Rapid Transit (DART) light rail. The other main piece of the Service Plan is bus service, which is divided into services of which include 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 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 91 percent from 1.27 million in 2005 to 2.43 million in 2011. The Connect fixed-route service, in particular, has seen marked increases since its implementation in 2008. The agency's ridership gains were recognized in 2008 by the Federal Transit Administration with the "Success in Enhancing Ridership" Award.

### 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, 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.

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

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. Upon completion In June 2011, the construction work included replacement of 21 miles of track, construction of 9,000 linear feet of sound walls and 26 passenger and freight rail bridge structures, quiet zone improvements at 43 railroad crossings, installation of a state-of-the-art wayside signal and communication system, as well as completion of the five rail stations.

To initiate service in a timely fashion, DCTA opted to commence revenue operations utilizing leased BUDD Rail Diesel Car (RDC) vehicles previously operated by the Trinity Railway Express (TRE). The agency anticipates receiving 11 new Stadler GTW 2/6 Diesel Multiple Units (DMUs) to transition into service by September 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.

The final component of the original A-train project is the completion of the Rail Operations and Maintenance Facility in Lewisville. Construction has begun on the facility and is anticipated to be complete in October 2011, with final close-out of the construction element to be completed by January 2012. The next major milestone the Agency will be facing is the implementation of federally mandated Positive Train Control by 2015.

In 2012, DCTA will continue adding amenities to improve the passenger experience and expanding transit alternatives by planning for future service opportunities. DCTA has incorporated bus feeder routes that connect the 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

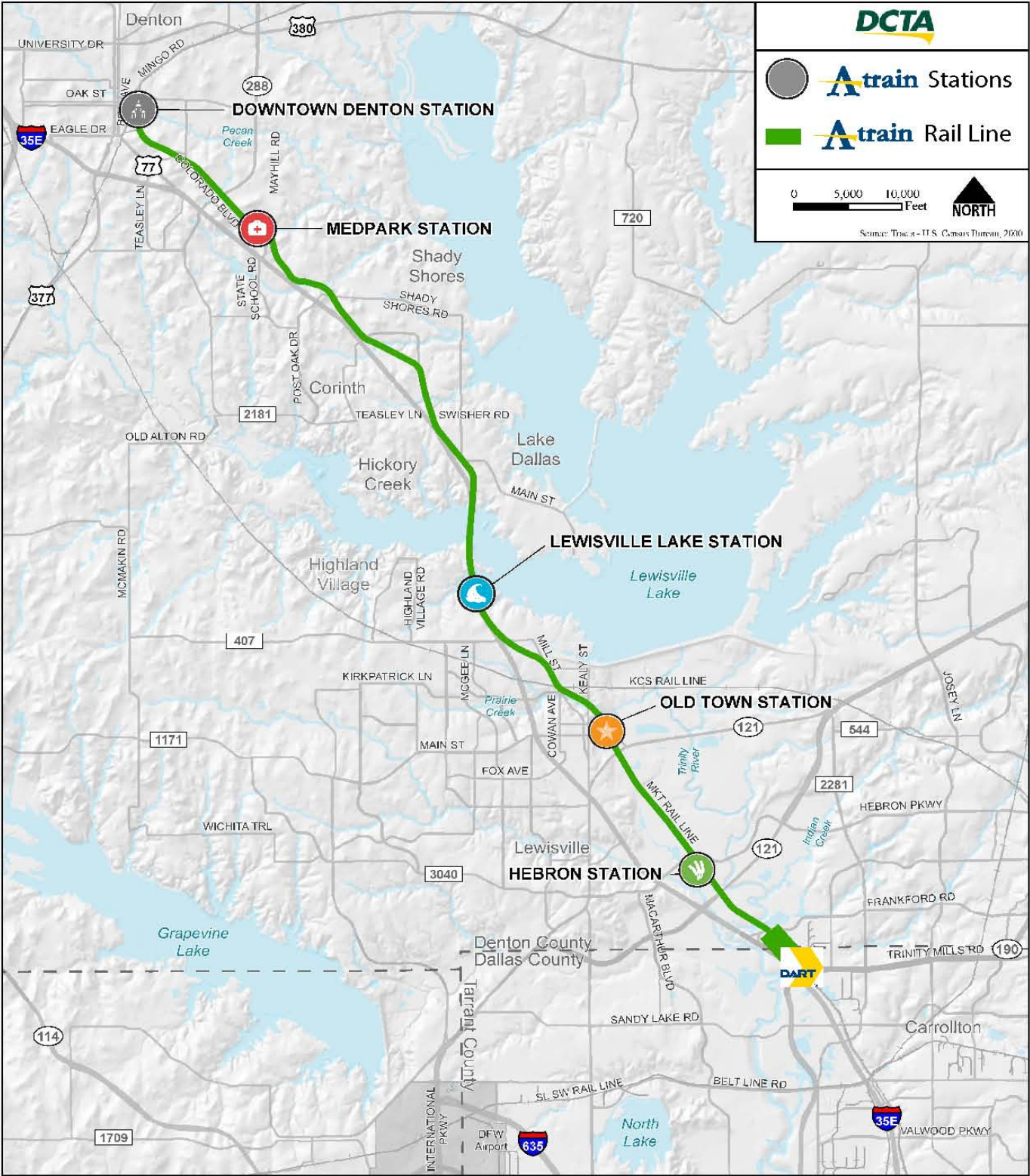
The development of the A-train service and the related bus capital expenditures represent a major investment in the Denton County economy. According to the University of North Texas Center for Economic Development and Research it will generate over \$413 million in local economic activity over the next 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 is in the process of completing 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 related financial implications. 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 fall 2011.



Service Area Map – A-train



## Services and Activities

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### BUS OPERATIONS

DCTA bus service has grown and seen significant progress. In May 2011, DCTA and the City of Denton completed construction of the Downtown Denton Transit Center. This transit facility creatively reuses an existing City of Denton building near downtown. Half of the center provides a public waiting area for transit passengers, a ticket office and kiosk, restrooms, retail space. The remainder of the facility includes office space for DCTA bus operations as well as training and public meeting rooms. It also includes an outdoor performance venue for local musicians and artists.

In 2010, DCTA finalized plans and procured the land for a 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 2011, the Authority implemented peak period feeder bus service between the Downtown Denton Transit Center and the UNT campus in an effort to better accommodate students using the A-train service. Another service enhancement implemented in 2011 was the coordination of existing Connect service as well as the NCTC shuttle to provide connections between the bus routes and the A-train.

DCTA Connect passengers now have a more comfortable travel experience with the installation new transit shelters. In late 2009, DCTA completed installation of 13 bus shelters in Lewisville. Equipped with benches, these shelters were placed at major employment centers and housing developments in



## Services and Activities

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Lewisville. The Denton Connect routes are scheduled to receive 26 shelters in 2012. All bus shelters will be installed in accordance with the Americans with Disabilities Act (ADA).

### LOCAL FIXED - ROUTE SERVICES:

Passengers have connections to more destinations within Denton and Lewisville via DCTA Connect, the Authority's local fixed-route service. And in Highland Village and North Lewisville, people use Connect RSVP on-demand service to go places and connect to other DCTA transit solutions. These services set numerous ridership records in 2011.

In Denton, passengers travel any of nine routes Monday through Saturday to reach stops such as City Hall, hospitals, retail and grocery stores, and educational institutions including UNT, TWU, and 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 private residences, local shopping centers, grocery stores and key employment centers. Passengers may transfer from Connect RSVP to Lewisville Connect routes and the A-train.

### 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 2011, over 1,873,000 passengers chose transit over fighting for parking places and campus congestion.



## Services and Activities

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Passengers can transfer from the UNT Shuttle routes to Connect, the NCTC Shuttle and the A-train.

The North Central Texas College (NCTC) shuttle connects students in Denton and Lewisville to the NCTC Corinth and Flower Mound campuses. 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.

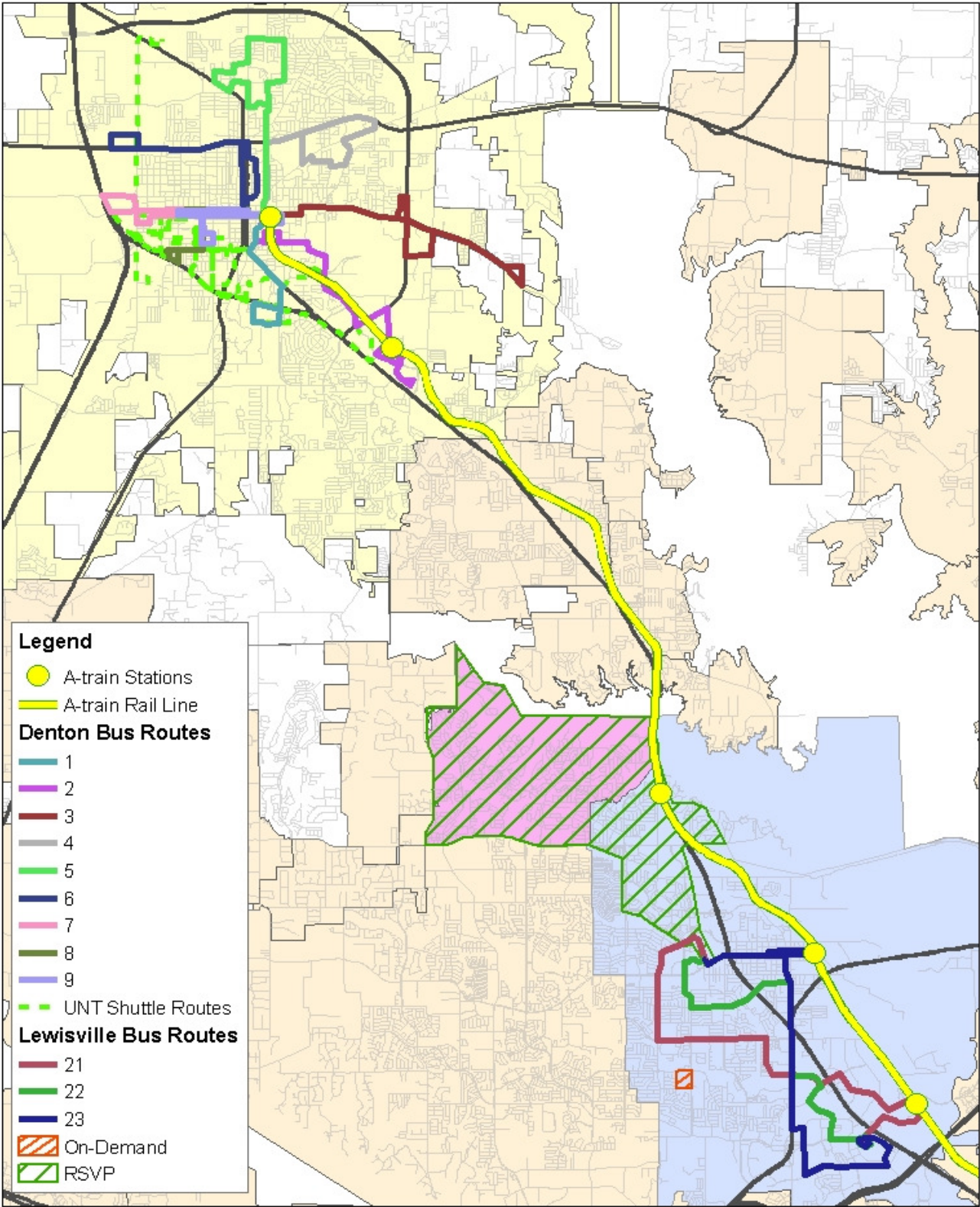
### **DEMAND RESPONSE SERVICE:**

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 customers traveling within ¾-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.







# ACCESS

**MEDPARK**

**3220 MEDPARK DR, DENTON TX**



**MEDICAL CENTER ACCESS | 723 PARKING SPACES  
SERVED BY CONNECT ROUTE 2 & NCTC SHUTTLE**

### **BASIS OF BUDGETING**

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

The budget is designed to communicate DCTA goals and objectives to our stakeholders by describing the service to be provided, the cost of the service, the proposed allocation of funds and revenue sources used to pay for the service. The budget communicates DCTA's commitment to a balanced budget, where expenses do not exceed current year revenues and reserve balances. Finally, the budget communicates our strategic operating plans to operate the first full year of A-train service along with current bus services. The budget and strategic plan help to keep departments centered on the goals and plans to accomplish those goals.

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

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

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

### **BASIS OF ACCOUNTING AND FINANCIAL PRINCIPLES**

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

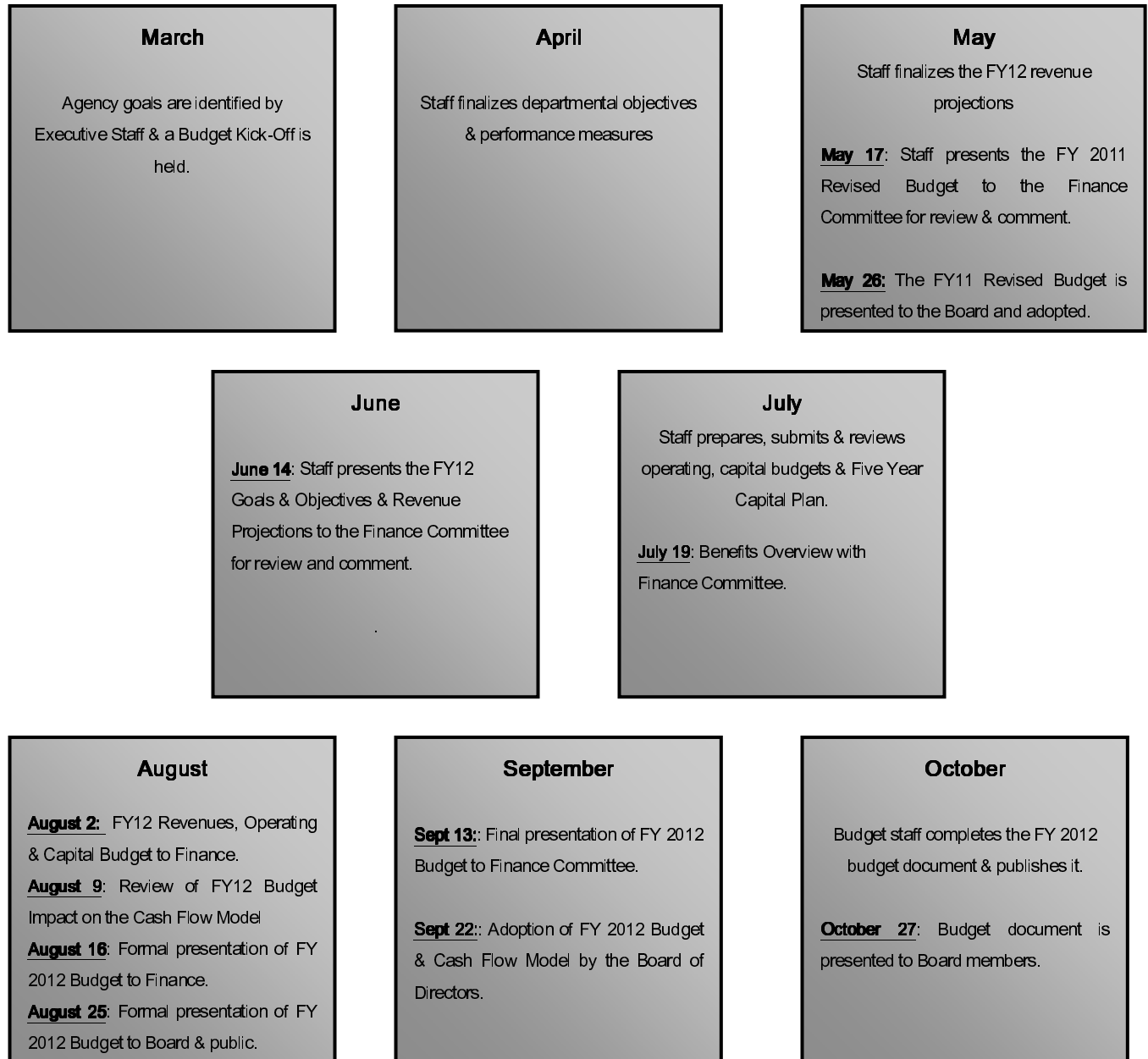
### **BUDGET PREPARATION**

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 2011 ACCOMPLISHMENTS**

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

- Celebration and launch of the A-train service on June 18, 2011
- Developed, adopted and implemented the A-train service level schedule
- Developed the Positive Train Control (PTC) Implementation Plan and identified the funding sources needed. PTC Implementation Plan Phase I funding was completed in September 2011
- Implemented peak period feeder bus service between the Downtown Denton Transit Center and the UNT campus
- Coordinated existing Connect service as well as the NCTC shuttle to provide connections between bus and the A-train
- Transitioned bus services from Connect Central to the Downtown Denton Transit Center (DDTC)
- Eighty (80) individual Transition Travel Trainings were provided to Access riders in order to assist them in utilizing DCTA fixed route services and the A-train. This training provided training to thirty three (33) individuals who are now able to transition into the other services offered
- DCTA conducted over seventeen (17) Rail Ready safety education programs reaching over 8,500 individuals
- System wide ridership increased by 3% and DCTA experienced multiple months of record ridership on Connect, UNT Shuttle and NCTC Shuttle services.
- DCTA conducted twenty (20) transit safety programs and held three (3) community safety events. These efforts reached 5,781 individuals
- Met with key Fire Life Safety Stakeholder throughout the corridor and received quality input into the safety and security of the A-train commuter rail system. An Inter Local Agreement (ILA) with Denton County Sheriff's Office (DCSO) was approved to provide full time railroad law enforcement within the DCTA A-train corridor
- Bus operations currently averages 90% On-Time Performance (OTP), achieving the goal established for FY 2011
- Developed a Debt Management Policy
- Entered into a contract with SunGard to provide updated integrated financial software solution for the agency
- Successfully negotiated the DART/HTSI Operations and Maintenance Agreement for the A-train
- Successfully developed a Cost Allocation Plan and submitted it to the FTA for approval. Implementation will begin in fiscal year 2012

## Fiscal Year 2011 Accomplishments

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- Unity Committee was established and a strategic plan was developed and implemented to promote a positive work environment
- DCTA's public relations efforts yielded an estimated earned media value of \$600,000
- DCTA participated in over 150 events and reached over 130,000 individuals
- Completion of the updated Employee Handbook
- Received an unqualified audit opinion with no material findings for fiscal year 2010
- Received the Government Finance Officers Association Distinguished Budget Award for the FY11 Budget which garners local and regional awareness for DCTA
- Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its' first Comprehensive Annual Financial Report for FYE September 30, 2010.
- Successfully completed the 2011 debt issuance of Certificates of Obligations which will allow the funding of Phase I of the PTC capital project along with a portion of the Stadler rail vehicles
- Long range Cash Flow Model and key financial criteria adopted by the Board of Directors establishing a framework for decision making and service levels
- Implemented State Fair service in conjunction with DART to support a major regional event
- Served as a regional focal point for development of commuter rail vehicle
- Submitted complete alternative vehicle technology package for Stadler GTW to the Federal Railroad Administration (FRA)

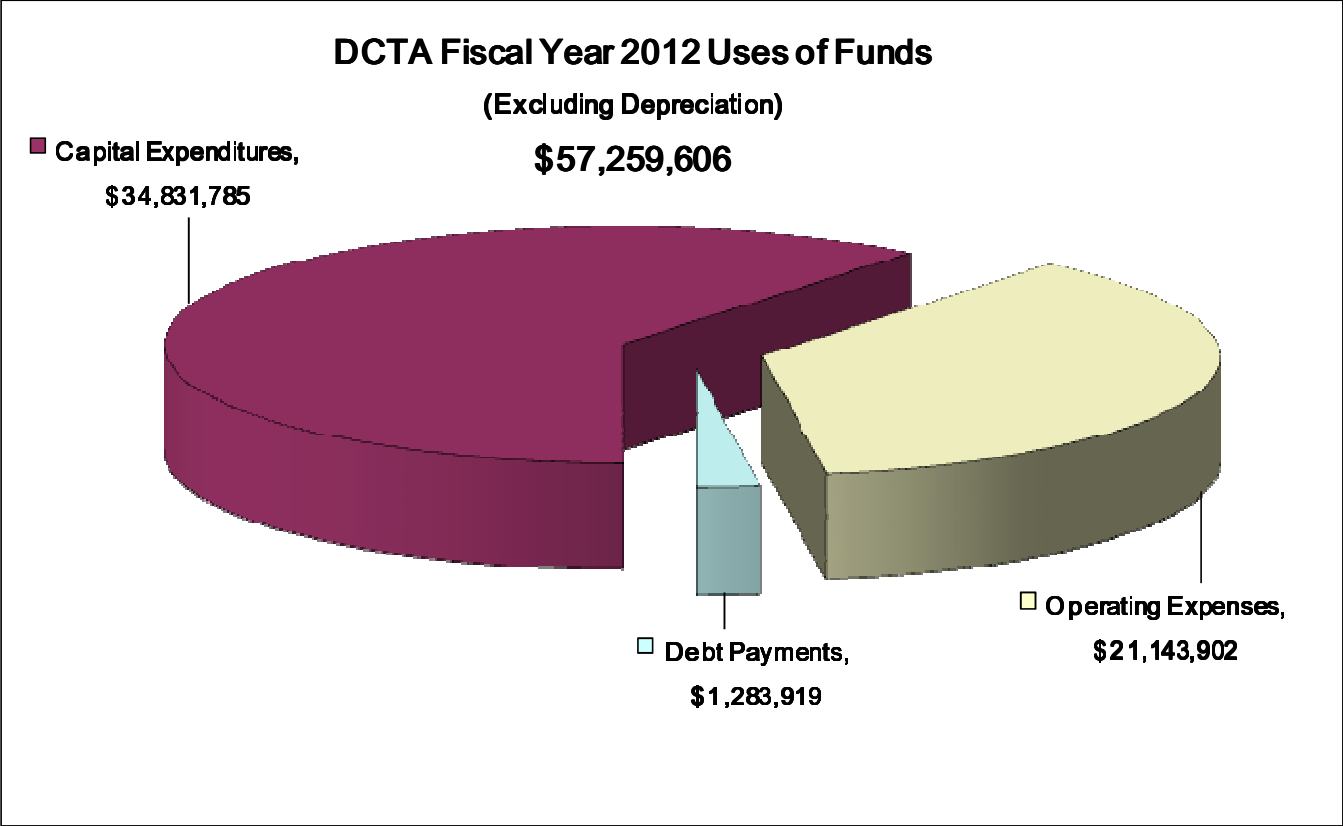
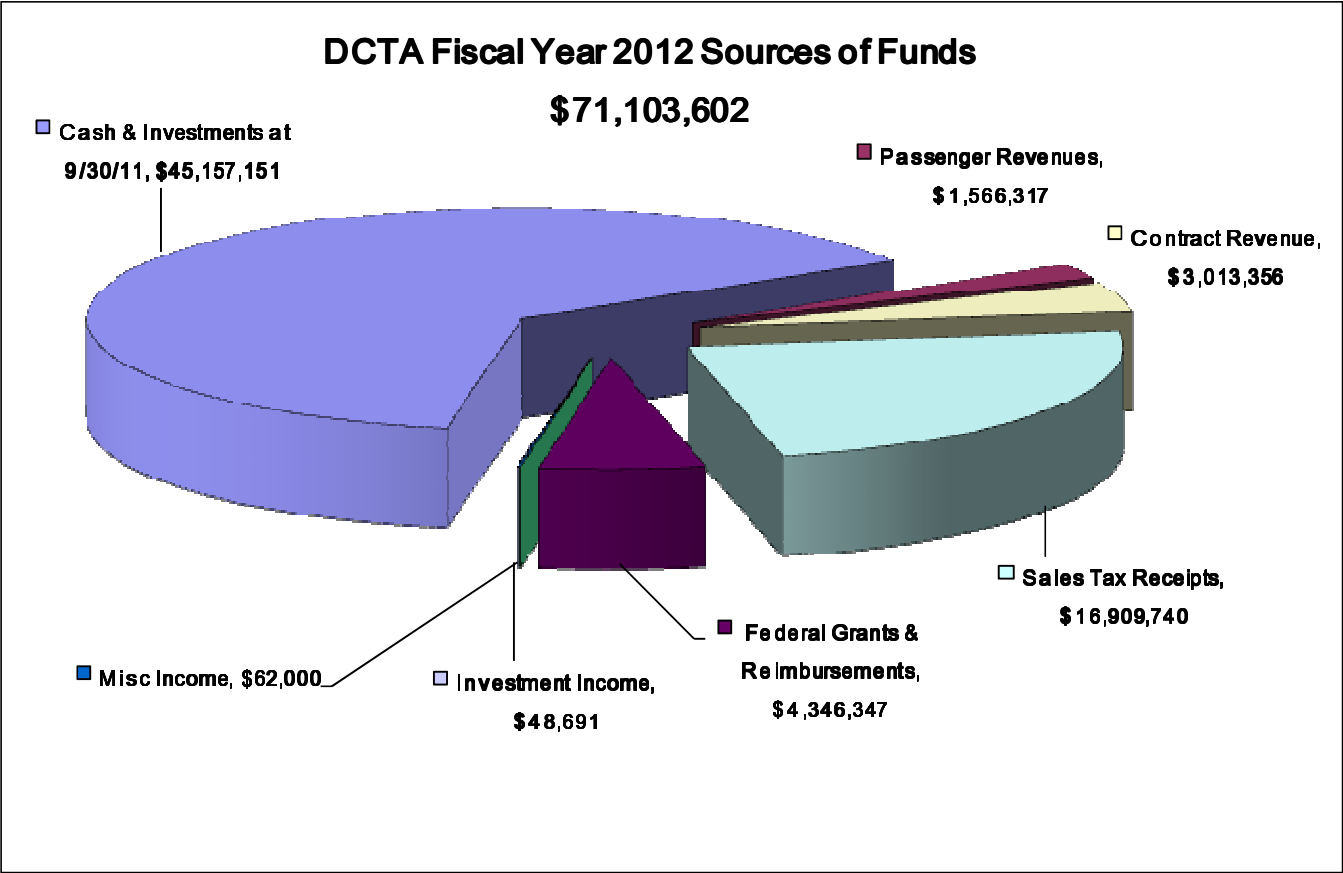
## Change in Net Assets – Budget Basis

	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised Budget	FY 2012 Budget
<b>Operating Revenues</b>				
Passenger Fares	\$ 474,937	\$ 978,266	\$ 683,257	\$ 1,566,317
Contract Service Revenue	2,433,909	2,577,439	2,577,439	3,013,356
Other Revenues	658	-	-	-
<b>Total Operating Revenues</b>	<b>\$ 2,909,504</b>	<b>\$ 3,555,706</b>	<b>\$ 3,260,696</b>	<b>\$ 4,579,673</b>
<b>Operating Expenses</b>				
Salaries, Wages & Fringe Benefits	\$ 5,890,584	\$ 6,394,089	\$ 6,399,860	\$ 6,788,698
Services	1,547,344	8,966,776	2,158,175	1,389,646
Materials & Supplies	1,674,509	2,018,237	2,469,755	3,436,999
Utilities	74,397	112,416	183,906	307,413
Insurance, Casualties & Losses	328,108	361,248	507,915	471,740
Purchased Transportation Services	-	-	5,215,522	7,544,845
Miscellaneous	143,697	181,003	178,653	167,626
Leases & Rentals	322,040	892,265	434,118	1,036,930
Depreciation	1,093,467	6,566,380	981,371	4,632,371
<b>Total Operating Expenses</b>	<b>\$ 11,074,146</b>	<b>\$ 25,492,414</b>	<b>\$ 18,529,275</b>	<b>\$ 25,776,268</b>
Operating Income / (Loss)	\$ (8,164,642)	\$ (21,936,708)	\$ (15,268,579)	\$ (21,196,595)
<b>Non-Operating Revenues / (Expenses)</b>				
Sales Tax Revenue	\$ 16,188,072	\$ 16,050,509	\$ 16,417,223	\$ 16,909,740
Net Investment Income / (Expenses)	102,615	414,890	107,785	48,000
Long-Term Debt Interest / (Expense)	(251,980)	(833,511)	(833,511)	(1,283,919)
Non-Operating Revenues / (Expenses)	287,359	75,661	137,970	62,000
Federal Grants & Reimbursements	3,432,289	5,215,333	5,128,604	4,346,347
State Grants & Reimbursements	102,970,259	60,706,246	77,255,171	5,665,471
Debt Issuance	-	-	14,390,000	-
<b>Total Non-Operating Revenue</b>	<b>\$ 122,728,615</b>	<b>\$ 81,629,128</b>	<b>\$ 112,603,242</b>	<b>\$ 25,747,639</b>
<b>Increase in Net Assets</b>	<b>\$ 114,563,972</b>	<b>\$ 59,692,420</b>	<b>\$ 97,334,663</b>	<b>\$ 4,551,044</b>
<b>Net Assets - Beginning of Year:</b>	<b>\$ 117,230,995</b>	<b>\$ 130,681,209</b>	<b>\$ 130,681,209</b>	<b>\$ 103,309,909</b>
<b>Net Assets - End of Year:</b>	<b>\$ 231,794,967</b>	<b>\$ 190,373,629</b>	<b>\$ 228,015,872</b>	<b>\$ 107,860,953</b>
<i>Transfer to Capital Projects</i>	<i>\$ 101,113,758</i>	<i>\$ 98,788,295</i>	<i>\$ 124,705,963</i>	<i>\$ 34,831,789</i>
<b>Net Assets After Capital Project Transfer</b>	<b>\$ 130,681,209</b>	<b>\$ 91,585,334</b>	<b>\$ 103,309,909</b>	<b>\$ 73,029,164</b>

## Statement of Cash Flows

	FY 2011	FY 2012
<b>Estimated Beginning Cash Balance</b>	146,303,662	45,157,151
<b>Operating Activities</b>		
Operating Revenue	\$ 3,258,723	\$ 4,579,674
Sales Tax Revenue	16,417,224	16,909,740
G&A Operating Expenses*	(2,639,390)	(2,707,033)
Rail Operating Expenses*	(6,174,104)	(10,397,864)
Contract Bus (TMDC) Operating Expenses*	(7,056,675)	(8,039,006)
<b>Total Operating Activities</b>	<b>\$ 3,805,778</b>	<b>\$ 345,511</b>
<b>Investing Activities</b>		
G&A Capital Expenditure	\$ -	\$ -
Rail Capital Expenditure	(121,153,848)	(33,361,952)
Bus Capital Expenditure	(2,560,473)	(1,469,837)
Non-Operating (Expense)/Income	394,064	62,004
Investment Income	291,550	48,691
Federal Grants & Reimbursements	4,519,930	4,346,347
<b>Total Investing Activities</b>	<b>\$ (118,508,777)</b>	<b>\$ (30,374,747)</b>
<b>Financing Activities</b>		
Debt Issuance	\$ 14,390,000	\$ -
Debt Payment	(833,512)	(1,283,919)
<b>Total Financing Activities</b>	<b>\$ 13,556,488</b>	<b>\$ (1,283,919)</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (101,146,511)</b>	<b>\$ (31,313,155)</b>
<b>Estimated Ending Cash Balance</b>	<b>\$ 45,157,151</b>	<b>\$ 13,843,996</b>

\* Operating expenses net of depreciation expense



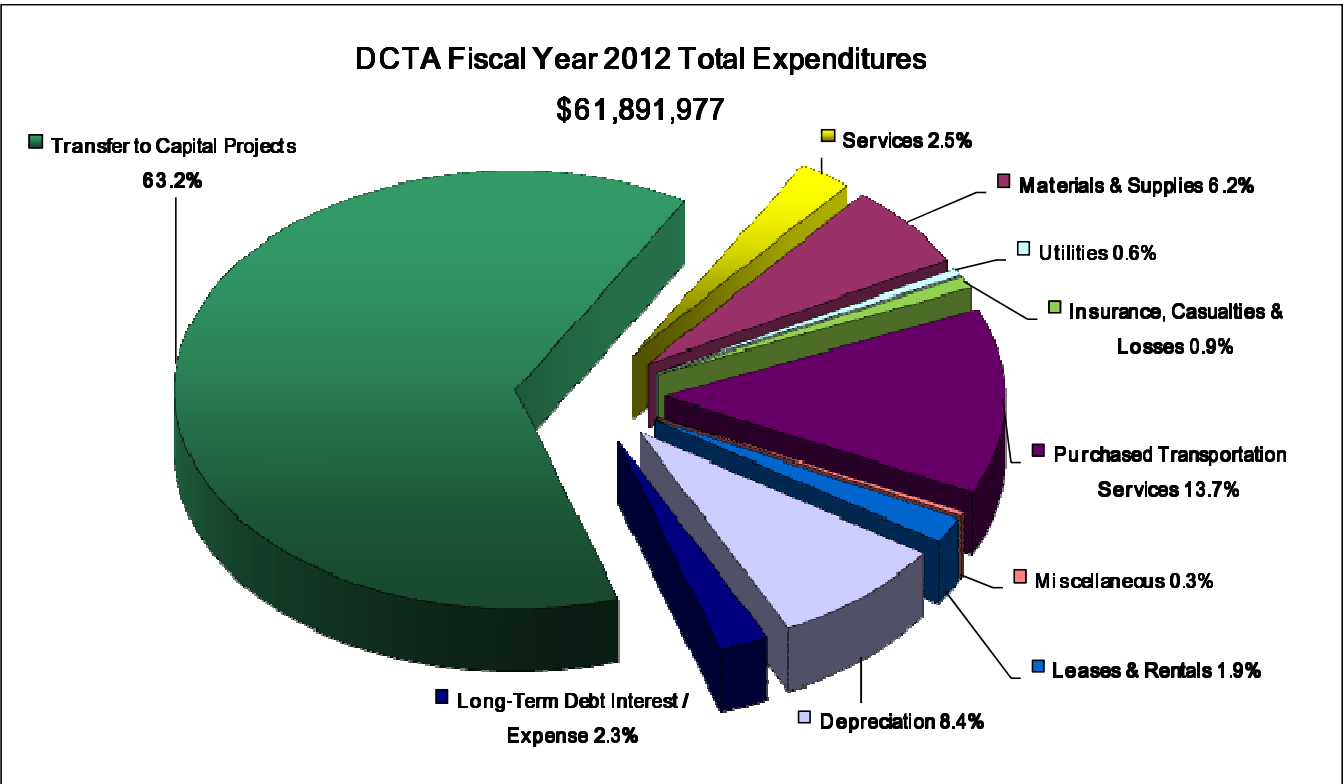
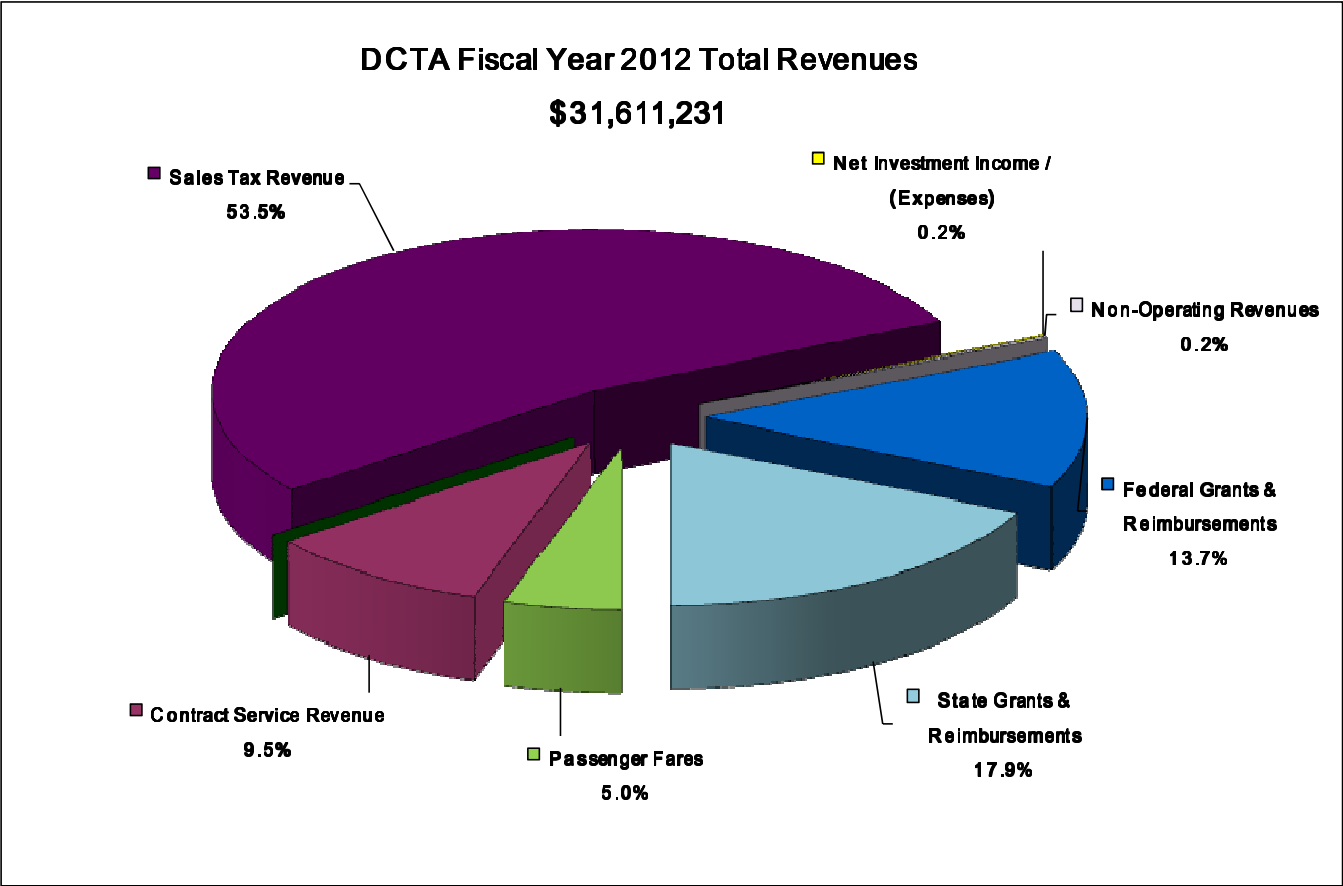
## Operating Budget by Classification

### SUMMARY (millions)

	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised Budget	FY 2012 Budget	% CHANGE FY 12 to FY 11 Rev Budget
<b>TOTAL REVENUES</b>	<b>\$ 125.9</b>	<b>\$ 86.0</b>	<b>\$ 116.7</b>	<b>\$ 31.6</b>	<b>-72.9%</b>
<b>TOTAL EXPENSES</b>	<b>112.4</b>	<b>125.1</b>	<b>144.1</b>	<b>61.9</b>	<b>-57.0%</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 13.5</b>	<b>\$ (39.1)</b>	<b>\$ (27.4)</b>	<b>\$ (30.3)</b>	<b>10.6%</b>

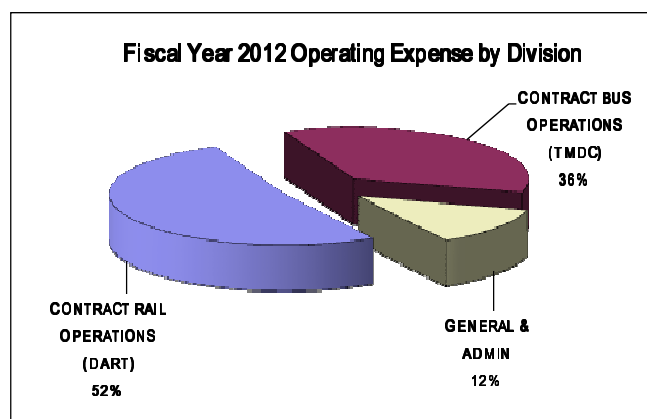
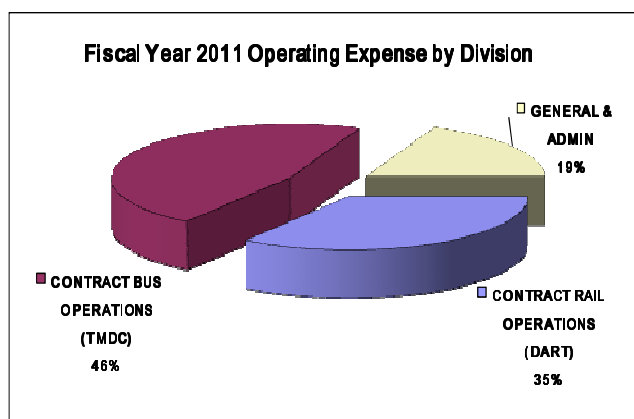
### DETAIL

	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised Budget	FY 2012 Budget	\$ CHANGE FY 12 to FY 11 Rev Budget
<b>REVENUES</b>					
Passenger Fares	\$ 474,937	\$ 978,266	\$ 683,257	\$ 1,566,317	\$ 883,060
Contract Service Revenue	2,433,909	2,577,439	2,577,439	3,013,356	435,917
Other Revenues	658	-	-	-	-
<b>Subtotal Operating Revenue</b>	<b>2,909,504</b>	<b>3,555,705</b>	<b>3,260,696</b>	<b>4,579,674</b>	<b>1,318,978</b>
Sales Tax Revenue	16,188,072	16,050,509	16,417,223	16,909,740	492,517
Net Investment Income / (Expenses)	102,615	414,890	192,313	48,691	(143,622)
Debt Issuance	-	-	14,390,000	-	(14,390,000)
Non-Operating Revenues	287,359	75,661	137,970	62,000	(75,970)
Federal Grants & Reimbursements	3,432,289	5,215,333	5,128,604	4,346,347	(782,257)
State Grants & Reimbursements	102,970,259	60,706,246	77,170,643	5,664,780	(71,505,863)
<b>Subtotal Non-Operating Income</b>	<b>122,980,594</b>	<b>82,462,639</b>	<b>113,436,753</b>	<b>27,031,558</b>	<b>(86,405,195)</b>
<b>TOTAL REVENUES</b>	<b>\$125,890,098</b>	<b>\$ 86,018,344</b>	<b>\$ 116,697,449</b>	<b>\$ 31,611,231</b>	<b>\$ (85,086,218)</b>
<b>EXPENSES</b>					
Salaries, Wages & Fringe Benefits	\$ 5,890,584	\$ 6,394,089	\$ 6,399,860	\$ 6,788,698	388,838
Services	1,547,344	8,966,776	2,158,175	1,389,646	(768,529)
Materials & Supplies	1,674,509	2,018,237	2,469,755	3,436,999	967,244
Utilities	74,397	112,416	183,906	307,413	123,507
Insurance, Casualties & Losses	328,108	361,248	507,915	471,740	(36,175)
Purchased Transportation Services	-	-	5,215,522	7,544,845	2,329,323
Miscellaneous	143,697	181,003	178,653	167,626	(11,027)
Leases & Rentals	322,040	892,265	434,118	1,036,930	602,812
Depreciation	1,093,467	6,566,380	981,371	4,632,371	3,651,000
<b>Subtotal Operating Expenses</b>	<b>11,074,146</b>	<b>25,492,414</b>	<b>18,529,275</b>	<b>25,776,269</b>	<b>7,246,994</b>
Long-Term Debt Interest / Expense	251,980	833,511	833,511	1,283,919	450,408
Non-Operating Expenses	-	-	-	-	-
<b>Subtotal Non-Operating Expenses</b>	<b>251,980</b>	<b>833,511</b>	<b>833,511</b>	<b>1,283,919</b>	<b>450,408</b>
<b>TOTAL EXPENSES</b>	<b>\$ 11,326,126</b>	<b>\$ 26,325,925</b>	<b>\$ 19,362,786</b>	<b>\$ 27,060,188</b>	<b>\$ 7,697,402</b>
Transfer to Capital Projects	101,113,758	98,788,295	124,705,963	34,831,789	(89,874,174)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 13,450,214</b>	<b>\$(39,095,876)</b>	<b>\$(27,371,300)</b>	<b>\$(30,280,746)</b>	<b>\$(2,909,446)</b>



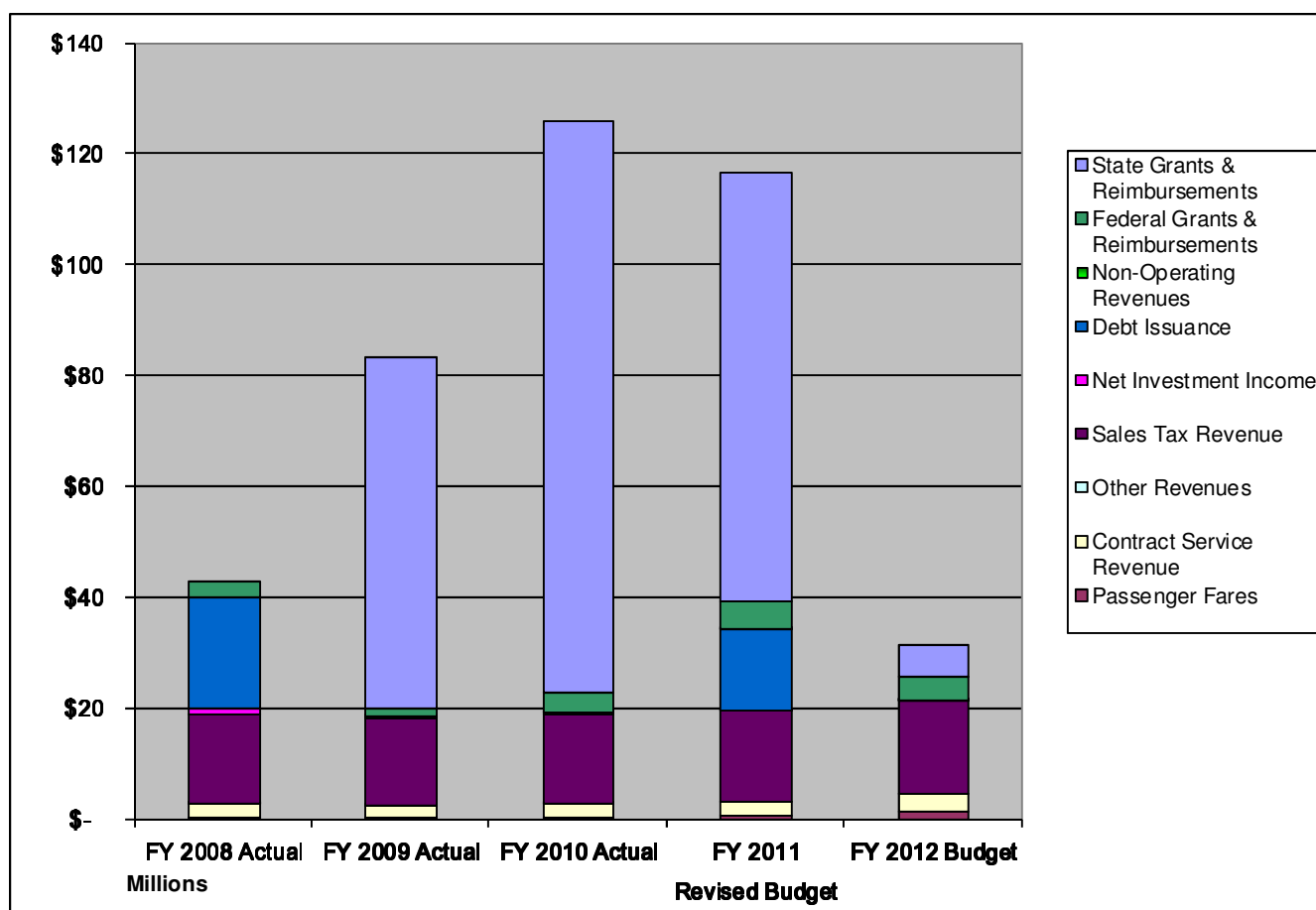
## Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised Budget	FY 2012 Budget
<b>GENERAL AND ADMINISTRATIVE</b>				
President	\$ 1,235,003	\$ 1,127,496	\$ 1,119,282	\$ 1,063,447
Vice President of Finance / CFO	611,063	657,568	667,368	752,899
Board of Directors	10,924	32,750	32,750	24,548
Communications and Marketing	524,012	648,075	646,306	484,420
Bus Administration	206,066	253,296	253,296	231,074
Rail Administration	428,587	5,960,799	429,253	398,689
Planning	208,883	194,250	191,500	30,000
Human Resources	103,149	139,786	126,555	142,976
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>\$ 3,327,689</b>	<b>\$ 9,014,020</b>	<b>\$ 3,466,311</b>	<b>\$ 3,128,053</b>
<b>CONTRACT RAIL OPERATIONS (DART)</b>				
Rail Operations	\$ -	\$ 7,780,442	\$ 6,445,734	\$ 13,386,815
<b>TOTAL CONTRACT RAIL OPERATIONS (HTSI)</b>	<b>\$ -</b>	<b>\$ 7,780,442</b>	<b>\$ 6,445,734</b>	<b>\$ 13,386,815</b>
<b>CONTRACT BUS OPERATIONS (TMDC)</b>				
Administration	\$ 589,575	\$ 763,809	\$ 801,647	\$ 958,604
Connect Service	1,550,206	1,886,231	1,742,694	1,959,043
UNT Service	1,227,728	1,347,749	1,347,749	1,413,273
Access Service	962,197	857,191	874,341	665,294
Commuter Express Service	570,553	502,722	508,930	333,363
Maintenance	2,289,325	2,717,747	2,656,627	2,894,693
Supervisors & Dispatch	528,373	579,944	579,944	575,155
NCTC Service	28,500	42,558	46,797	56,280
Downtown Denton Transit Center	-	-	58,500	405,695
<b>TOTAL CONTRACT BUS OPERATIONS (TMDC)</b>	<b>\$ 7,746,457</b>	<b>\$ 8,697,951</b>	<b>\$ 8,617,230</b>	<b>\$ 9,261,401</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 11,074,146</b>	<b>\$ 25,492,413</b>	<b>\$ 18,529,274</b>	<b>\$ 25,776,269</b>



## Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Revised Budget	FY 2012 Budget
Passenger Fares	\$ 425,199	\$ 415,583	\$ 474,937	\$ 683,257	\$ 1,566,317
Contract Service Revenue	2,296,316	2,151,402	2,433,909	2,577,439	3,013,356
Other Revenues	9,373	34,650	658	-	-
Sales Tax Revenue	16,208,354	15,666,457	16,188,072	16,417,223	16,909,740
Net Investment Income	1,188,514	335,979	102,615	192,313	48,691
Debt Issuance	20,000,000	-	-	14,390,000	-
Non-Operating Revenues	-	117,137	287,359	137,970	62,000
Federal Grants & Reimbursements	2,916,207	1,251,282	3,432,289	5,128,604	4,346,347
State Grants & Reimbursements	-	63,543,494	102,970,259	77,170,643	5,664,780
<b>TOTAL REVENUES</b>	<b>\$43,043,963</b>	<b>\$83,515,984</b>	<b>\$ 125,890,098</b>	<b>\$ 116,697,449</b>	<b>\$ 31,611,231</b>



### **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 to the state, cities, transit authorities, and other taxing jurisdictions.

### **OPERATING REVENUE:**

#### **PASSENGER FARE REVENUE**

Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as the addition of rail farebox revenue. Total fare revenue is projected at \$1.56 million or 129% increase over the FY 2011 revised budget. This significant increase is due to the addition of a full year of rail farebox revenues and is based on an average 12.2% 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 TWU on a contractual basis. The 2012 budget reflects a 16.91% increase over the 2011 revised budget and is mainly attributable to the renegotiation of the UNT contract, which resulted in a 14.2% increase in the hourly rate along with an annual increase in current agreements with the universities to provide additional Connect services to the campuses.

### **NON-OPERATING REVENUE:**

#### **SALES TAX REVENUE**

Sales Tax Revenue is a non-operating revenue source for DCTA. DCTA collects a one-half percent sales tax in member cities. Sales tax revenue for the 2012 budget year is based on the 2011 actual receipts and is a conservative estimate of a 3% increase which projects a \$493 thousand increase over the FY11 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 operating funds and a .40% return on RTRFI funds. The significant decrease in

## Budget Assumptions cont.

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investment income anticipated for FY2012 is due to the depletion of the RTRFI funds with the completion of the A-train construction project.

### **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 2012, DCTA anticipates \$2.8 million in operating grants, which is an increase of \$1.1 million over the FY 2011 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 \$1.6 million in capital grants, which reflects a decrease of \$1.9 million over the FY 2011 revised budget. This decrease is mainly attributable to the remaining American Reinvestment and Recovery Act (ARRA) funds. The agency was awarded a total of \$4.1 million in 2009, \$2.3 million which was budgeted to be drawn down in FY2011 and the remaining balance of \$86 thousand in FY 2012. These funds will be applied to projects related to bus support equipment and facilities, fleet replacement, and passenger amenities. Another decrease reflected in the FY2012 budget is \$625 thousand for CMAQ funds that we received in 2011 and applied to the Hebron Park and Ride that are no longer available to the agency at this time. An additional source of capital grants expected in 2012 is the 5307 Capital funds in the amount of \$737 thousand, which are federal formula funds available to the agency and will be applied toward operating assistance and non-fixed route ADA paratransit services for bus and rail along with \$720 thousand in Texas Department of Transportation (TxDOT) STEP grants which will be used toward the Lewisville Trail and Community Enhancement capital projects.

### **STATE GRANTS & REIMBURSEMENTS**

For the 2011 budget we anticipate a 93% decrease from the Regional Toll Revenue Funding Initiative (RTRFI). DCTA recognizes RTRFI revenue when it is reimbursed for expenditures incurred. DCTA was awarded \$250 million for the A-train project, which represents 80% funding for the project. In FY 2012, DCTA anticipates drawing down the remaining \$5.66 million from these funds based on the completion of the capital project.

### **OPERATING EXPENSES**

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

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

## Budget Assumptions cont.

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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.

DCTA also entered into a joint rail operations contract with DART and The "T" in 2011. This contract supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for in the Purchased Transportation expense category.

## **SALARY, WAGES AND FRINGE BENEFITS**

This expense category includes DCTA and TMDC payroll, employer taxes, employer insurance, and employer contributions to the 401(a). The FY 2012 budget reflects a 6% 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 back into the Salary & Wages category from the Services category; (2) 10% increase in health benefits; (3) planned merit and pay plan adjustments and (4) 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 and the FY12 budget includes \$25k for this purpose. Merit pay has also been included at 3.00%, and accounts for \$26k. Another factor in the increase over the FY11 Revised Budget is the transfer of the President's salary to the Salary & Wage category. In the previous year, the CEO position was a contracted position and was included under the Services category.

This budget incorporates an increase of 10% in health care benefits based on the current plan design, which accounts for an \$87k increase compared to FY 2011 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. In FY11 the agency separated the DCTA and TMDC divisions, creating two separate insurance accounts which created an increase for DCTA of 8% and a decrease for TMDC of 3%.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, has included an overall wage increase for bus operators of 3.7% as a result of the negotiated union contract which accounts for a

## Budget Assumptions cont.

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portion of the increase and an annual increase of 2% has been included for the administrative staff of TMDC, which accounts for \$72k of the increase overall. TMDC also anticipates the addition of one full time employee for the Downtown Denton Transit Center.

### **SERVICES**

Service Expense consists of DCTA contracts and purchase of services from consultants and is lower than the FY 2011 revised budget by 35.6% due to the following factors. The majority of the reduction is due to the reclassification of A-train operating expenses into more specific categories. DCTA is also anticipating a reduction in legal fees along with a reduction in the marketing expenses related to the A-train launch previously budgeted. In the past two years, the agency has budgeted funds to updating of the Service Plan, which is due to be complete in fall 2011 so limited funds were budgeted in FY12.

### **MATERIALS AND SUPPLIES**

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2012 budget for this category is higher than 2011 revised budget by \$967 thousand (39%). This variance can be attributed to fuel budgeted at \$3.75 per gallon in FY 2012 and includes a full year of rail operations fuel.

### **UTILITIES**

This expense category includes gas, electric and communication expenses. The 2012 budget reflects an increase of \$124 thousand compared to the FY 2011 revised budget due to the addition of the 8,800 square foot Downtown Denton Transit Center for a full year along with the additional utilities required to operate the A-train. This includes the Rail Operations & Maintenance Facility, all crossings and rail stations.

### **INSURANCE**

This expense category budget item is comparable to FY 2011 revised budget and shows decrease of \$36 thousand due to updated insurance budgeted for rail operations based on current information.

### **PURCHASED TRANSPORTATION SERVICES**

This expense category includes all purchased transportation services from a contracted third party. This includes a joint rail operations and maintenance contract with Dallas Area Rapid Transit (DART) and the Fort Worth Transportation Authority ("The T"). This Inter-Local Agreement (ILA) is for operations provided by Herzog Transit Services, Inc. and includes management fees, maintenance, dispatch services, maintenance of way, train hours and car miles. The increase of 44.7% is a reflection of a full year of A-train operations.

## **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 6.2% decrease in FY 2012 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, office leases at the Stemmons location, and the Rail Diesel Car (RDC) lease with DART. The 2012 budget is higher than FY 2011 revised budget by \$603 thousand due to a full year of RDC lease payments with DART along with an annual payment of \$150 thousand for the DART Right of Way lease payment to DART.

## **DEPRECIATION**

This expense category represents the expense of using our capital assets over time. The 2012 budget is higher than the prior year due to the A-train project completion in 2012, 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. In FY 2011, DCTA issued Sales Tax Contractual Obligations, Series 2011 for \$14.4 million. The FY 2012 budget reflects the interest payments according to all loan documents. Please refer to the debt tables 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 2012, DCTA is expecting a decrease of miscellaneous revenues of 55% due to the reduction of anticipated retail space lease revenue for the Downtown Denton Transit Center (DDTC) and a reduction in anticipated advertising revenue for FY 2012.

**DEBT SCHEDULE**

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

**Date:** December 17, 2009

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

**Purpose:** The bonds were issued in order to refund the Sales Tax Revenue Bonds, Series 2008 dated June 24, 2008 and scheduled to mature on June 15, 2013. This allowed DCTA to remove restrictive bond covenants.

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

**Debt Service:**

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

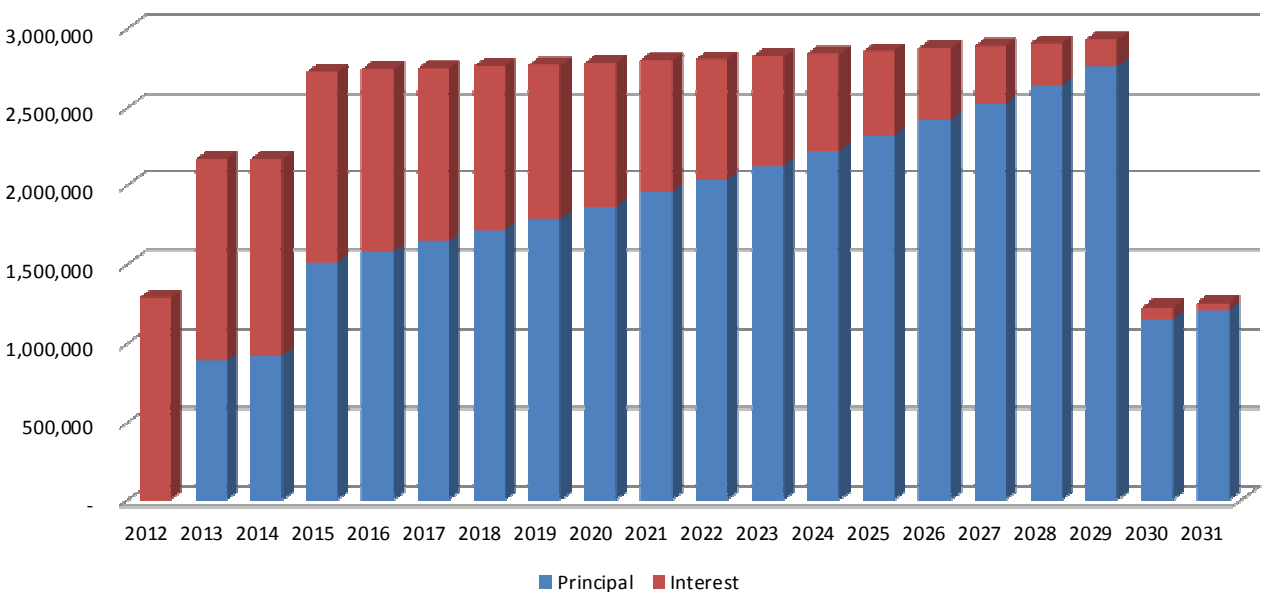
**Sales Tax Contractual Obligations, Series 2011****\$14,390,000****Date:** September 15, 2011**Interest:** Semi-annual each March and September, commencing September 2011.  
Interest accrues at a fixed rate of 3.13%.**Purpose:** These Contractual Obligations are to fund transportation system improvements which will include the initial phase of the Positive Train Control project and a portion of DCTA's share of the new rail vehicles**Security:** The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.**Debt Service:**

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

**Outstanding Debt Schedule as of 9/30/2011**

<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2012	-	1,283,919	1,283,919
2013	885,000	1,283,919	2,168,919
2014	920,000	1,248,608	2,168,608
2015	1,510,000	1,211,900	2,721,900
2016	1,580,000	1,156,423	2,736,423
2017	1,645,000	1,098,412	2,743,412
2018	1,720,000	1,038,066	2,758,066
2019	1,790,000	974,984	2,764,984
2020	1,870,000	909,369	2,779,369
2021	1,955,000	840,862	2,795,862
2022	2,035,000	769,307	2,804,307
2023	2,125,000	694,819	2,819,819
2024	2,220,000	617,083	2,837,083
2025	2,320,000	535,944	2,855,944
2026	2,420,000	451,202	2,871,202
2027	2,525,000	362,857	2,887,857
2028	2,635,000	270,710	2,905,710
2029	2,755,000	174,603	2,929,603
2030	1,155,000	74,182	1,229,182
2031	1,215,000	38,030	1,253,030
<b>Total</b>	<b>35,280,000</b>	<b>15,035,194</b>	<b>50,315,194</b>

**Outstanding Debt Service as of 9/30/2011**



## Full-Time Equivalent (FTE) Comparison

<b>Division Summary</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Variance</b>
<b>General &amp; Administrative Division</b>				
President Department				
President	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	-
Admin Asst / Receptionist	1.00	1.00	1.00	-
Project Assistant	1.00	1.00	1.00	-
Finance Department				
Chief Financial Officer	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	-
Accountant	1.00	1.00	1.00	-
Budget Analyst	1.00	1.00	1.00	-
AP/AR Specialist	1.00	1.00	1.00	-
Procurement Manager	1.00	1.00	1.00	-
Communications & Marketing Department				
VP Planning & Communications	1.00	1.00	1.00	-
Marketing Manager	1.00	1.00	1.00	-
Bus Operations Department				
VP of Bus Operations	1.00	1.00	1.00	-
Senior Planner	1.00	1.00	1.00	-
Planning Department				
Strategic Planner	1.00	1.00	1.00	-
Human Resources Department				
Management Specialist	1.00	1.00	1.00	-
<b>Rail Operations Division</b>				
Rail Development Department				
VP Rail & Project Development	1.00	1.00	1.00	-
Project Assistant	1.00	1.00	1.00	-
General Manager of Rail Operations	1.00	1.00	1.00	-
<b>Total DCTA FTE Staff</b>	<b>19.00</b>	<b>19.00</b>	<b>19.00</b>	<b>-</b>
<b>Third Party Contract Operations</b>				
Contracted Rail Services (DART)	-	-	53.00	53.00
Contracted Bus Services (TMDC)	134.50	136.50	132.00	(4.50)
<b>Total Third Party Contract Operations</b>	<b>134.50</b>	<b>136.50</b>	<b>185.00</b>	<b>48.50</b>



# TRANSFER

**HIGHLAND VILLAGE/LEWISVILLE LAKE**  
2998 N. STEMMONS FRWY, LEWISVILLE TX



**138 PARKING SPACES | SERVED BY CONNECT RSVP BUS SERVICE**

## General and Administrative Division Budgets

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### **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.

<b>COST CLASSIFICATION</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Budget</b>	<b>FY 2011 Revised</b>	<b>FY 2012 Budget</b>
<b><u>PRESIDENT</u></b>					
Salary, Wages & Benefits	\$ 221,297	\$ 233,974	\$ 223,649	\$ 223,649	\$ 423,089
Services	335,401	599,608	600,170	617,770	361,700
Materials & Supplies	23,994	18,964	23,968	23,968	25,000
Utilities	9,453	10,299	10,736	10,736	12,720
Insurance & Casualties	-	-	-	-	-
Miscellaneous	87,557	67,328	87,434	87,434	78,748
Leases & Rentals	161,504	161,504	164,377	164,377	164,400
Depreciation	26,681	154,252	49,912	24,098	22,338
<b>Total Operating Expense</b>	<b>\$ 865,885</b>	<b>\$ 1,245,928</b>	<b>\$ 1,160,246</b>	<b>\$ 1,152,032</b>	<b>\$ 1,087,995</b>
<b>Full-Time Equivalents</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>

### **MATERIAL BUDGET ITEMS:**

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- Reclassification of President's salary to Salary & Wages category from Services category, where the contract for the interim CEO position was allocated.
- Pay plan adjustment of \$25 thousand included in 2012 budget.
- Reduction of legal fees

## General and Administrative Division Budgets

President	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
OBJECTIVE: Provide excellent customer service - Voice of the Customer	
OBJECTIVE: Provide safe operations	
OBJECTIVE: Cooperate with county and regional mobility improvement programs	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
OBJECTIVE: Review and ensure departments have appropriate administrative policies and procedures to ensure continuity	
OBJECTIVE: Provide staff with tools and resources necessary to perform their job	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> <li>Encourage participation in professional development opportunities</li> </ul>	
OBJECTIVE: Maintain a positive work environment	
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
OBJECTIVE: Develop and implement agency legislative agenda	

President	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
OBJECTIVE: Provide excellent customer service - Voice of the Customer	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
OBJECTIVE: Provide safe operations	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
OBJECTIVE: Cooperate with county and regional mobility improvement programs	Complete
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
OBJECTIVE: Provide staff with tools & resources necessary to perform their job	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none"> <li>Encourage participation in professional development opportunities</li> </ul>	
<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>	
OBJECTIVE: Review and ensure departments have appropriate administrative policies and procedures to ensure continuity	<ul style="list-style-type: none"> <li>Complete - Employee Handbook updated</li> </ul>
OBJECTIVE: Maintain a positive work environment	<ul style="list-style-type: none"> <li>Unity Program established and complete</li> </ul>
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
OBJECTIVE: Develop and implement agency legislative agenda	<ul style="list-style-type: none"> <li>Modified Chapter 460 of the Transportation Code to include Fare Enforcement capabilities &amp; funding flexibility</li> </ul>

## General and Administrative Division Budgets

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### 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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>FINANCE</b>					
Salary, Wages & Benefits	\$ 478,421	\$ 444,209	\$ 493,408	\$ 493,408	\$ 520,677
Services	98,979	137,541	138,739	148,539	205,052
Materials & Supplies	8,494	7,314	2,347	2,347	900
Utilities	720	720	720	720	720
Insurance & Casualties	6,419	4,775	4,692	4,692	5,148
Miscellaneous	9,649	16,505	17,662	17,662	20,402
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 602,682</b>	<b>\$ 611,063</b>	<b>\$ 657,568</b>	<b>\$ 667,368</b>	<b>\$ 752,899</b>
<b>Full-Time Equivalents</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

### MATERIAL BUDGET ITEMS:

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- Merit Pay of 3% included in 2012
- Financial Software monthly support & hosting fee included
- Investment advisory services
- e-procurement

## General and Administrative Division Budgets

Finance	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>  <b>OBJECTIVE: Provide safe operations</b>	
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<b>OBJECTIVE: Secure a bond/credit rating as recognized by external rating agencies</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Publish monthly financial statements</li> <li>• Develop a Debt Management Policy</li> <li>• Obtain at least one credit rating from a nationally recognized rating agency</li> <li>• Ensure audits are prepared and completed within 6 months of year end</li> <li>• Meet SEC Continuing Disclosure requirements</li> </ul>	
<b>OBJECTIVE: Develop and adopt key financial policies</b>	
<b>OBJECTIVE: Develop systems that ensure assets are properly safeguarded</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Implement integrated financial software solution; Go-Live February 2012</li> <li>• Conduct annual inventory and ensure proper asset disposal process</li> </ul>	
<b>OBJECTIVE: Receive an unqualified audit opinion with no material findings</b> <ul style="list-style-type: none"> <li>• FY11 Audit Results</li> </ul>	
<b>OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Meet deadlines on FTA reporting requirements and timely drawdown of funds</li> <li>• Improve coordination of grant development and implementation</li> <li>• Implement FTA approved cost allocation plan</li> <li>• Improve electronic methods of revenue collection</li> <li>• Complete a comprehensive rate study</li> <li>• Publish Revenue Manual and ensure annual review</li> </ul>	
<b>OBJECTIVE: Ensure expenditure controls are in place and function effectively</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Accountability of P-Card program and all other purchasing procedures</li> <li>• Maintain expenditure accountability : operating and capital budgets</li> </ul>	
<b>OBJECTIVE: Establish budget practices that ensure sustainability and continuity of services</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Annual adoption of balanced budget</li> <li>• Publish annual budget calendar with timeline and processes</li> <li>• Establish and identify funding timeline for Asset Replacement Fund</li> <li>• Maintain a Fund Balance Reserve</li> <li>• Establish Sales Tax Stabilization Reserve Fund</li> </ul>	
<b>OBJECTIVE: Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Successful closeout audit of actual construction costs</li> <li>• Final budget at/under the \$193M</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<b>OBJECTIVE: Maintain a positive work environment</b>	
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
<b>OBJECTIVE: Ensure accessibility of current and historical financial data</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Update website to incorporate financial information consistent with appropriate sections of the Texas State Comptroller Transparency Project</li> </ul>	

## General and Administrative Division Budgets

Finance	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>OBJECTIVE: Provide safe operations</b>	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<b>OBJECTIVE: Secure a bond/credit rating as recognized by external rating agencies</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Publish monthly financial statements</li> <li>Develop a Debt Management Policy</li> <li>Obtain at least one credit rating from a nationally recognized rating agency</li> <li>Ensure audits are prepared and completed with 6 months of year end</li> <li>Meet SEC Continuing Disclosure requirements</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Pending</li> <li>Complete</li> <li>In Process</li> </ul>
<b>OBJECTIVE: Develop and adopt key financial policies</b>	<ul style="list-style-type: none"> <li>Financial Policies are complete. Final Board adoption Quarter 1 of FY12</li> </ul>
<b>OBJECTIVE: Develop systems that ensure assets are properly safeguarded</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Implement integrated financial software solution</li> <li>Conduct annual inventory and ensure proper asset disposal process</li> </ul>	<ul style="list-style-type: none"> <li>FY11 procurement complete and implementation started; Go-Live in February 2012</li> <li>Complete</li> </ul>
<b>OBJECTIVE: Receive an unqualified audit opinion with no material findings</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>FY10 Audit Results</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> </ul>
<b>OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Meet deadlines on FTA reporting requirements and timely drawdown of funds</li> <li>Improve coordination of grant development and implementation</li> <li>Implement FTA approved cost allocation plan</li> <li>Establish a cash management policy</li> <li>Improve electronic methods of revenue collection</li> <li>Complete a comprehensive rate study</li> <li>Publish Revenue Manual and ensure annual review</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Plan submitted to the FTA for approval</li> <li>Complete</li> <li>Staff is currently working on improving this</li> <li>Pending</li> <li>Complete</li> </ul>
<b>OBJECTIVE: Ensure expenditure controls are in place and function effectively</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Accountability of P-card program and all other purchasing procedures</li> <li>Evaluate opportunities to improve use of electronic funds transfers</li> <li>Maintain expenditure accountability: operating &amp; capital budgets</li> </ul>	<ul style="list-style-type: none"> <li>Purchasing procedures and P-card training are complete</li> <li>Complete</li> <li>Complete; Regular budget reviews held with staff</li> </ul>
<b>OBJECTIVE: Establish budget practices that ensure sustainability and continuity of services</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Annual adoption of balanced budget</li> <li>Publish annual budget calendar with timeline and processes</li> <li>Establish and identify funding timeline for Asset Replacement Fund</li> <li>Establish a Fund Balance Reserve Policy</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> <li>Complete</li> <li>Currently in process</li> <li>Complete</li> </ul>
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<b>OBJECTIVE: Maintain a positive work environment</b>	<ul style="list-style-type: none"> <li>Unity Program established and complete</li> </ul>
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
<b>OBJECTIVE: Ensure accessibility of current and historical financial data</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Update website to incorporate financial information consistent with appropriate sections of the Texas State Comptroller Transparency Project</li> </ul>	<ul style="list-style-type: none"> <li>Complete: Budget &amp; CAFR are located on the website</li> </ul>

## 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.

<b>COST CLASSIFICATION</b>	<b>FY 2009 Actual</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Budget</b>	<b>FY 2011 Revised</b>	<b>FY 2012 Budget</b>
<b>MARKETING &amp; COMMUNICATIONS</b>					
Salary, Wages & Benefits	\$ 167,428	\$ 188,288	\$ 189,844	\$ 189,844	\$ 193,960
Services	156,639	267,335	389,050	387,281	234,500
Materials & Supplies	30,469	50,479	50,700	50,700	35,500
Utilities	1,440	1,440	1,440	1,440	1,440
Insurance & Casualties	-	-	-	-	-
Miscellaneous	14,545	16,470	17,041	17,041	19,020
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 370,521</b>	<b>\$ 524,012</b>	<b>\$ 648,075</b>	<b>\$ 646,306</b>	<b>\$ 484,420</b>
<b>Full-Time Equivalents</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

### MATERIAL BUDGET ITEMS:

- Merit pay of 3% included
- Reduction in marketing services and materials & supplies, resulting from the completion of A-train launch in 2011

## General and Administrative Division Budgets

Communications & Marketing FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p>OBJECTIVE: <b>Provide excellent customer service - Voice of the Customer</b></p> <p>OBJECTIVE: <b>Provide safe operations</b></p> <p>OBJECTIVE: <b>Continue Transit Safety Education Program</b> <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"><li>• Number of travel and safety training opportunities</li></ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p>OBJECTIVE: <b>Maintain a positive work environment</b></p>	
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
<p>OBJECTIVE: <b>Provide civic and public group presentations</b> <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"><li>• Increase number of presentations provided</li></ul> <p>OBJECTIVE: <b>Maximize media exposure / Coverage (Earned Media)</b> <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"><li>• Earned media value</li></ul> <p>OBJECTIVE: <b>Promote DCTA's transit services with focused and targeted marketing campaigns</b> <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"><li>• Number of marketing activities; Increase in ridership</li></ul>	

## General and Administrative Division Budgets

Communications & Marketing FY11 Performance Measure Results/Status	
<b>GOAL:</b> <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
<b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>OBJECTIVE: Provide safe operations</b>	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>OBJECTIVE: Continue Transit Safety Education Program</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Number of travel and safety training opportunities</li> </ul>	<ul style="list-style-type: none"> <li>DCTA conducted 20 transit safety programs and held 3 community safety events. These efforts reached 5,781 individuals</li> </ul>
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<b>OBJECTIVE: Maintain a positive work environment</b>	<ul style="list-style-type: none"> <li>Unity Program established and complete</li> </ul>
<b>GOAL:</b> <i>Elevate local, regional and national awareness of DCTA</i>	
<b>OBJECTIVE: Provide civic and public group presentations</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Increase number of presentations provided</li> </ul>	<ul style="list-style-type: none"> <li>DCTA participated in over 150 events and reached over 130,000 individuals</li> </ul>
<b>OBJECTIVE: Maximize media exposure / Coverage (Earned Media)</b>	<ul style="list-style-type: none"> <li>DCTA's public relations efforts yielded an estimated earned media value of \$600,000</li> </ul>
<b>OBJECTIVE: Promote DCTA's transit services with focused and targeted marketing campaigns</b> <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Increase in ridership</li> </ul>	<ul style="list-style-type: none"> <li>DCTA's marketing efforts increased transit ridership by 5%</li> </ul>

## 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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>PLANNING</b>					
Salary, Wages & Benefits	\$ 78,261	\$ (44)	\$ -	\$ -	\$ -
Services	158,256	204,833	191,500	191,500	30,000
Materials & Supplies	-	7	400	-	-
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	3,875	4,087	2,350	-	-
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 240,393</b>	<b>\$ 208,883</b>	<b>\$ 194,250</b>	<b>\$ 191,500</b>	<b>\$ 30,000</b>

<b>Full-Time Equivalents</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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### MATERIAL BUDGET ITEMS:

- The Strategic Planner position is currently vacant but included in headcount for FY 2012. Neither salary nor benefits have been included in the operating budget for this department. Staff will re-assess the need to fill the Strategic Planner position in FY12.
- Service Plan update included and is scheduled to be complete in 2012.

## General and Administrative Division Budgets

Planning & Service Development	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<b>OBJECTIVE: Adoption and implementation of the long range Service Plan by Quarter 2 of FY 2012</b>  <b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>  <b>OBJECTIVE: Provide safe operations</b>	
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<b>OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Timely reporting of transit data to the Board, NCTCOG and FTA</li> <li>• Increase the number of grants executed and closed; Amount of funds drawn</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<b>OBJECTIVE: Maintain a positive work environment</b>	

Planning & Service Development	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<b>OBJECTIVE: Adopt the long range Service Plan by March 2011</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Completion of 5 Year and 25 Year Service Plan</li> </ul>	
<b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>	
<b>OBJECTIVE: Provide safe operations</b>	
<u>Results / Status:</u> <ul style="list-style-type: none"> <li>• Staff has been working with consultants extensively in FY11. The Service Plan draft has been complete and should be adopted in Fall of 2011.</li> <li>• Will continue to be an on-going effort for the agency</li> <li>• Will continue to be an on-going effort for the agency</li> </ul>	
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<b>OBJECTIVE: Establish identifiable revenue sources to ensure stability of annual budgets</b> <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> <li>• Timely reporting of transit data to the Board, NCTCOG and FTA</li> <li>• Increase the number of grants executed and closed; Amount of funds drawn</li> </ul>	
<u>Results / Status:</u> <ul style="list-style-type: none"> <li>• Complete</li> <li>• Closed 3 grants, executed 4 new grants totalling \$6.1M; currently have 9 active grants totalling \$4.5M (does not include 4 new); and drawdowns totalled \$6.2M in FY11</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<b>OBJECTIVE: Maintain a positive work environment</b> <ul style="list-style-type: none"> <li>• Unity Program established and complete</li> </ul>	

## 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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>HUMAN RESOURCES</b>					
Salary, Wages & Benefits	\$ 94,723	\$ 68,416	\$ 68,548	\$ 68,548	\$ 72,954
Services	31,075	30,827	58,422	38,422	47,900
Materials & Supplies	-	-	9,000	15,769	18,350
Utilities	-	-	-	-	-
Insurance & Casualties	32,736	2,267	2,100	2,100	2,136
Miscellaneous	138	1,640	1,716	1,716	1,636
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 158,673</b>	<b>\$ 103,149</b>	<b>\$ 139,786</b>	<b>\$ 126,555</b>	<b>\$ 142,976</b>
<b>Full-Time Equivalents</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

### MATERIAL BUDGET ITEMS:

- Merit Pay included at 3%
- Salary survey expense included in FY 2012
- Computer upgrades included along with license renewals

## General and Administrative Division Budgets

Human Resources	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b></p> <p><b>OBJECTIVE: Provide safe operations</b></p>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE: Maintain a competitive benefit structure</b>  <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Annual review of peer benefit plans during renewal cycle</li> <li>Conversion of TCDRS</li> </ul> </p> <p><b>OBJECTIVE: Maintain a competitive compensation plan</b>  <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Administer and ensure compliance of compensation plan</li> </ul> </p> <p><b>OBJECTIVE: Maintain a positive work environment</b></p>	

Human Resources	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b> <ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul> </p> <p><b>OBJECTIVE: Provide safe operations</b> <ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul> </p>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE: Maintain a competitive benefit structure</b>  <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Annual review of peer benefit plans during renewal cycle</li> <li>Conversion of TCDRS; Addition of ICMA voluntary plan to retirement options</li> </ul> </p> <p><b>OBJECTIVE: Maintain a competitive compensation plan</b>  <b>Tasks / Performance Measure:</b> <ul style="list-style-type: none"> <li>Administer and ensure compliance of compensation plan</li> </ul> </p> <p><b>OBJECTIVE: Maintain a positive work environment</b></p>	

## RAIL SERVICES

The Rail Services department provides management and oversight efforts of the regional rail component, the A-train. Primary to the activities undertaken by this section of DCTA include internal and external agency coordination, TOD and planning, rail operations, rail maintenance, and safety/security. DCTA also entered into a joint rail operations contract with DART and The T in 2011. This contract only supports the train operations (service hours, fuel, maintenance, etc.) and is accounted for under the Contract Rail Services division.

COST CLASSIFICATION	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>RAIL SERVICES - ADMIN</b>					
Salary, Wages & Benefits	\$ 381,288	\$ 354,715	\$ 348,658	\$ 348,658	\$ 338,449
Services	14,052	30,318	8,400	6,000	6,000
Materials & Supplies	12,583	15,888	32,020	32,020	15,500
Utilities	1,729	1,672	2,400	2,400	8,190
Insurance & Casualties	-	-	-	-	-
Miscellaneous	17,719	25,994	40,175	40,175	30,550
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	5,529,146	-	-
<b>Total Operating Expense</b>	<b>\$ 427,371</b>	<b>\$ 428,587</b>	<b>\$ 5,960,799</b>	<b>\$ 429,253</b>	<b>\$ 398,689</b>
<b>Full-Time Equivalents</b>	<b>4.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

COST CLASSIFICATION	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>CONTRACT RAIL SERVICES (DART)</b>					
Salary, Wages & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Services	-	-	87,061	364,269	101,340
Materials & Supplies	-	-	695,033	508,037	1,296,638
Utilities	-	-	96,467	71,490	176,723
Insurance & Casualties	-	-	146,667	146,667	110,000
Purchased Transportation Services	-	-	6,148,142	5,215,522	7,544,845
Miscellaneous	-	-	-	-	-
Leases & Rentals	-	-	607,073	139,750	769,630
Depreciation	-	-	-	-	3,387,639
<b>Total Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,780,442</b>	<b>\$ 6,445,734</b>	<b>\$ 13,386,815</b>
<b>DART Contract FTE's</b>	<b>0</b>	<b>0</b>	<b>53</b>	<b>53</b>	<b>53</b>

### MATERIAL BUDGET ITEMS:

- Rail operating and maintenance expense for full year of A-train service of \$9.2M
- RDC lease expense of \$770 thousand in FY 2012
- Depreciation to begin on A-train capital project upon completion in FY 2012

Rail Services	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Meet A-train Capital Project Completion milestones</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Rail Operations &amp; Maintenance Facility to be complete by 1st Quarter of FY12</li> </ul>	
<p><b>OBJECTIVE: Work with FRA and Stadler to achieve Alternative Vehicle Technology Compliance Waiver resulting in the safest possible standards for euro technology in the region and nation</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Submit Final AVT Waiver Package by the 1st Quarter FY12; Achieve AVT waiver by 4th Quarter FY12</li> </ul>	
<p><b>OBJECTIVE: Maintain quality A-train service level in accordance with established Quality Service Parameters (QAP's)</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Maintain RDC equipment up-time at 90%. On-Time Performance (OTP) of 100%</li> </ul>	
<p><b>OBJECTIVE: Continue to work with A-train corridor stakeholders on future municipal capital projects</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Establish ILA agreements with stakeholders on maintenance and access within the A-train corridor</li> </ul>	
<p><b>OBJECTIVE: Further the implementation of the A-train Positive Train Control (PTC)</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Complete the 30% preliminary design, issue RFP, negotiate and execute a PTC Design-Build and Integrate contract by the 4th Quarter of FY12</li> </ul>	
<p><b>OBJECTIVE: Provide safe and efficient A-train start-up operations</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Test and integrate the DCTA GTW's and pursue early integration into the A-train commuter rail system by achieving FRA AVT waiver by 2nd Quarter</li> </ul>	
<b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>	
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<p><b>OBJECTIVE: Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Contract closeout by 2nd Quarter FY12</li> <li>• Final budget at/under the \$193M</li> <li>• Successful closeout audit of actual construction costs</li> <li>• Zero construction claims</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<b>OBJECTIVE: Maintain a positive work environment</b>	

## Rail Services Division Budget

Rail Services	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Meet A-train implementation / service milestones</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Begin revenue rail service by June 2011</li> <li>Rail Operations &amp; Maintenance Facility to be complete by August 2011</li> <li>DART/DCTA Operations &amp; Maintenance Agreement executed by January 2011</li> </ul>	
<p><b>Results / Status:</b></p> <ul style="list-style-type: none"> <li>Complete - Grand Opening of Rail service was on June 20th</li> <li>Rail O&amp;M Facility is scheduled to be complete Quarter 1 of FY12</li> <li>Complete</li> </ul>	
<p><b>OBJECTIVE: Work with the FRA and Stadler to achieve Alternative Vehicle Technology Compliance Waiver resulting in the safest possible standards for euro technology in the region and nation</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Kick-Off Meeting to be held November 2010 with FRA</li> <li>FRA AVT Waiver Package development and initial submission by Summer 2011</li> </ul>	
<ul style="list-style-type: none"> <li>Complete</li> <li>AVT Waiver Package #1 has been submitted to the FRA in draft form &amp; the team is on schedule for submittal of the remaining 3 draft AVT packages by the end of this fiscal year</li> </ul>	
<p><b>OBJECTIVE: Develop and adopt final A-train service level schedule</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Board service level schedule adoption by October 2010</li> </ul>	
<ul style="list-style-type: none"> <li>Schedule has been adopted and implemented as part of the start-up of the A-train commuter rail system</li> </ul>	
<p><b>OBJECTIVE: Continue to work with A-train corridor stakeholders to complete the construction activities with minimal interruptions to the public</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Substantial completion of the A-train construction effort by May 2011</li> </ul>	
<ul style="list-style-type: none"> <li>Complete; continued work with the stakeholders within the A-train corridor has been critical to the successful completion of the system</li> </ul>	
<p><b>OBJECTIVE: Develop Implementation plan and identify funding sources for Positive Train Control (PTC) Implementation</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Capital Implementation Plan developed by January 2011; Funding sources established by Spring 2011</li> </ul>	
<ul style="list-style-type: none"> <li>Worked with Finance to finalize the scope of PTC to support funding and debt issuance. PTC Implementation Plan Phase I funding completed in September 2011</li> </ul>	
<p><b>OBJECTIVE: Provide safe and efficient A-train start-up operations</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>On-Time Performance (OTP) established at above 90% during the first three months of operating</li> </ul>	
<ul style="list-style-type: none"> <li>Met with key Fire Life Safety Stakeholders throughout the corridor and received quality input into the safety &amp; security of the A-train system. Additionally, DCTA has executed &amp; mobilized an ILA with DSCO to provide fulltime railroad law enforcement within the DCTA A-train corridor.</li> <li>Achieving an average OTP of 98% during the first three months of service</li> </ul>	
<p><b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b></p>	
<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>	
<b>GOAL:</b>	<b><i>Provide long term financial stability</i></b>
<p><b>OBJECTIVE: Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget</b></p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Contract closeout by September 2011</li> <li>Final budget at/under the \$193M</li> <li>Successful closeout audit of actual construction costs</li> <li>Zero construction claims</li> </ul>	
<ul style="list-style-type: none"> <li>Contract closeout scheduled for Quarter 1 FY2012</li> <li>Complete</li> <li>FY10 Project Cost Analysis complete</li> <li>Complete</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE: Maintain a positive work environment</b></p>	
<ul style="list-style-type: none"> <li>Unity Program established and complete</li> </ul>	

## Bus Services Division Budget

### BUS SERVICES

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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>BUS SERVICES - ADMIN</b>					
Salary, Wages & Benefits	\$ 105,390	\$ 191,712	\$ 188,744	\$ 188,744	\$ 184,930
Services	3,797	4,600	51,427	51,427	29,174
Materials & Supplies	-	-	-	-	1,200
Utilities	240	720	720	720	720
Insurance & Casualties	-	-	-	-	-
Miscellaneous	9,785	9,034	12,405	12,405	15,050
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 119,212</b>	<b>\$ 206,066</b>	<b>\$ 253,296</b>	<b>\$ 253,296</b>	<b>\$ 231,074</b>

<b>Full-Time Equivalents</b>	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
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COST CLASSIFICATION	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Revised	FY 2012 Budget
<b>CONTRACT BUS SERVICES (TMDC)</b>					
Salary, Wages & Benefits	\$ 3,850,835	\$ 4,409,314	\$ 4,881,238	\$ 4,887,009	\$ 5,054,639
Services	314,859	272,283	351,198	351,198	373,980
Materials & Supplies	1,308,137	1,581,857	1,899,802	1,838,683	2,043,911
Utilities	59,130	59,546	96,400	96,400	106,900
Insurance & Casualties	364,174	321,067	354,456	354,456	354,456
Miscellaneous	1,809	2,639	2,220	2,220	2,220
Leases & Rentals	163,918	160,536	125,315	129,991	102,900
Depreciation	1,012,755	939,215	987,322	957,273	1,222,394
<b>Total Operating Expense</b>	<b>\$7,075,618</b>	<b>\$7,746,457</b>	<b>\$8,697,951</b>	<b>\$ 8,617,230</b>	<b>\$ 9,261,401</b>

<b>TMDC Contract FTE's</b>	<b>119.25</b>	<b>139.5</b>	<b>136.5</b>	<b>136.5</b>	<b>132</b>
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### MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$3.75 per gallon in FY12
- Increase in health benefits of 10%
- Bus operator wage increases based on Union contract

## Bus Services Division Budget

Bus Services	
FY12 Objectives & Tasks / Performance Measures	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Provide Fixed Route Bus Services that are effective in attracting &amp; retaining riders</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Achieve system wide OTP of 90%</li> <li>• Increase ridership by 5%</li> </ul>	
<p><b>OBJECTIVE: Continue to improve the quality, efficiency, and cost effectiveness of Access Service</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Increase passengers per hour to 2.25</li> </ul>	
<p><b>OBJECTIVE: Expand Vanpool Service to provide Denton County residents and employees with an additional alternative to single-occupancy vehicle commuting</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Provide five (5) vanpools by the end of FY 2012</li> </ul>	
<p><b>OBJECTIVE: Continue the refinement of the Transition Travel Training program in order to effectively transition Access passengers to fixed route bus services</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Provide 100 separate travel training sessions.</li> <li>• Effectively train 30 individuals to take trips on Connect or A-train services</li> </ul>	
<p><b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Document &amp; monitor customer comments on a monthly basis. DCTA's goal is to receive no more than .3 complaints per 10,000 passengers</li> </ul>	
<p><b>OBJECTIVE: Provide safe operations</b>  <b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• No more than 2 accidents per 100,000 miles</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE: Maintain a positive work environment</b></p>	

## Bus Services Division Budget

Bus Services	
FY11 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE: Provide Fixed Route Bus Services that are effective in attracting &amp; retaining riders</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Develop sound data collection methods for determining fixed route On-Time Performance (OTP). Achieve system wide OTP of 90%</li> <li>Increase ridership by 5%</li> </ul>	
<p><b><u>Results / Status:</u></b></p> <ul style="list-style-type: none"> <li>Bus Operations currently averages OTP of 90% for the fiscal year.</li> <li>Ridership increased by 3.8%</li> </ul>	
<p><b>OBJECTIVE: Continue to improve the quality, efficiency, and cost effectiveness of Access Service</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Increase passengers per hour to 2.25</li> </ul>	
<ul style="list-style-type: none"> <li>Access averaged 2.0 passengers per hour</li> </ul>	
<p><b>OBJECTIVE: Expand Vanpool Service to provide Denton County residents and employees with an additional alternative to single-occupancy vehicle commuting</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Provide eleven (11) vanpools by the end of FY 2011</li> </ul>	
<ul style="list-style-type: none"> <li>DCTA currently operates one (1) commuter vanpool</li> </ul>	
<p><b>OBJECTIVE: Work with the City of Denton to implement service to Downtown Denton Transit Center</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Transition of bus services from Connect Central to DDTC</li> </ul>	
<ul style="list-style-type: none"> <li>Transition is complete and the DDTC is fully operational</li> </ul>	
<p><b>OBJECTIVE: Continue the refinement of the Transition Travel Training program in order to effectively transition Access passengers to fixed route bus services</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Provide 100 separate travel training sessions and effectively train 30 individuals to take trips on Connect, Commuter Express or A-train Services</li> </ul>	
<ul style="list-style-type: none"> <li>DCTA has conducted 80 separate training sessions and 33 individuals have been trained</li> </ul>	
<p><b>OBJECTIVE: Provide excellent customer service - Voice of the Customer</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>Document &amp; monitor customer comments on a monthly basis. DCTA's goal is to receive no more than .3 complaints per 10,000 passengers</li> </ul>	
<ul style="list-style-type: none"> <li>FY 11 had an average of 1.03 complaints per 10,000 miles. The agency will continue to make improvements in order to reach our goal</li> </ul>	
<p><b>OBJECTIVE: Provide safe operations</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>No more than 2 accidents per 100,000 miles</li> </ul>	
<ul style="list-style-type: none"> <li>Averaged 2.2 accidents in FY 2011; Will continue to improve</li> </ul>	
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE: Maintain a positive work environment</b></p> <ul style="list-style-type: none"> <li>Unity Program established and complete</li> </ul>	



**OLD TOWN**  
617 E. MAIN ST, LEWISVILLE TX

TRAVEL



**WALK TO OLD TOWN LEWISVILLE**  
369 PARKING SPACES | SERVED BY CONNECT ROUTE 23

### **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.

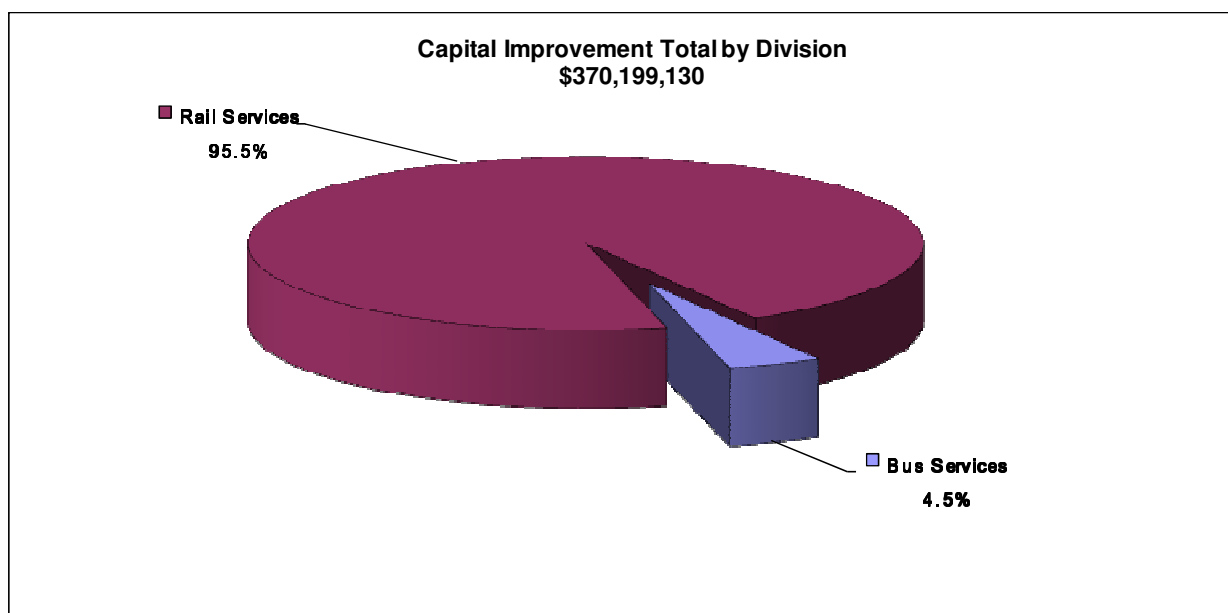
All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department 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 2012 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 FY12 is \$34.8 million, with 96% dedicated to the A-train project. The remaining 4% is allocated among a number of bus related projects. These projects will be outlined in greater detail to follow.

## Capital Improvement Plan Summary

Project Name	Project Number	Project LTD thru FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Project Total
<b>Bus Services</b>									
Passenger Amenities-Phase 2	50202	118,176	25,623	85,527	-	-	-	-	229,326
Bus Operations & Maintenance Facility	50301	1,966,110	1,500	-	-	-	9,665,107	-	11,632,717
Bus Maintenance Equipment	50302	50,635	800	75,000	373,565	-	-	-	500,000
Security System Video Units	50401	94,836	24,382	10,618	-	-	-	-	129,836
Paratransit Scheduling Systems	50403	41,280	100,920	37,800	-	-	-	-	180,000
Electronic Fareboxes	50405	-	-	-	445,000	-	-	-	445,000
Fleet Replacement	50502	279,705	1,969,678	887,610	-	-	-	-	3,136,993
DDTC	50303	-	-	373,282	-	-	-	-	373,282
<b>Rail Services</b>									
Line Construction	61101	94,882,378	42,100,413	-	-	-	-	-	136,982,791
MedPark Station	61201	3,692,171	4,705,642	-	-	-	-	-	8,397,813
Downtown Denton Station	61202	171,264	2,473,097	-	-	-	-	-	2,644,361
HV/LV Lake Station	61203	3,799,535	2,821,548	-	-	-	-	-	6,621,083
Old Town Lewisville Station	61204	4,348,527	3,002,524	-	-	-	-	-	7,351,051
Hebron Station	61205	1,250,541	945,418	-	-	-	-	-	2,195,959
MedPark Extension	61206	-	-	-	1,000,000	-	-	-	1,000,000
Trinity Mills - NTRG Expense	61207	-	10,659	-	-	-	-	-	10,659
Rail Operations & Maintenance Facility	61301	6,445,987	16,381,754	1,200,000	-	-	-	-	24,027,741
Fare Collection Systems	61401	48,503	684,601	-	-	-	-	-	733,104
Communication System	61402	927,648	3,115,632	-	-	-	-	-	4,043,280
Traffic Signals	61403	2,306,125	740,053	-	-	-	-	-	3,046,178
Railroad Signal System/Crossing	61404	5,737,393	6,251,607	-	-	-	-	-	11,989,000
Positive Train Control Study	61405	78,106	101,513	-	-	-	-	-	179,619
Positive Train Control	61406	-	597,930	3,002,070	9,150,000	4,247,441	-	-	16,997,441
Rail Cars	61501	26,606,545	25,153,677	28,035,303	-	-	-	-	79,795,525
Stadler Cars Implementation	61502	-	-	895,803	-	-	-	-	895,803
Professional Services	61601	20,817,820	3,294,346	155,000	-	-	-	-	24,267,166
CM/GC Pre-Construction	61602	522,315	-	-	-	-	-	-	522,315
Trail Relocation - North Region	61701	1,018,533	974,215	-	-	-	-	-	1,992,748
Project Management - DCTA Internal	61702	318,368	711	-	-	-	-	-	319,079
Rail Corridor - DART	61703	7,547,115	7,500,040	-	-	-	-	-	15,047,155
Neighborhood Sound Mitigation	61706	3,956	266,045	-	-	-	-	-	270,001
Community Enhancements	61707	-	-	13,091	739,617	-	-	-	752,708
Lewisville Bike Trail	61708	-	-	60,685	86,250	741,520	2,600,941	-	3,489,396
<b>TOTAL</b>									
		<b>\$ 183,073,572</b>	<b>\$ 123,244,328</b>	<b>\$ 34,831,789</b>	<b>\$ 11,794,432</b>	<b>\$ 4,988,961</b>	<b>\$ 12,266,048</b>	<b>\$ -</b>	<b>\$ 370,199,130</b>



**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	\$ -
2009-10	118,176	-	-		
2010-11	25,623	-	-		
2011-12	85,527	-	-		192,263
2012-13	-	-	-		37,063
<b>Total</b>	<b>\$ 229,326</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 229,326</b>

Change from Previous CIP		Project Notes
		<b>Coordinating Department: Bus Services</b>
No Change	<b>X</b>	* Phase 1 was completed in FY 2010 and served the Lewisville fixed-routes
Increase in Amount		* The shelters were procured in FY 2010; with installation planned for Quarter 3 of FY 2012
Decrease in Amount		* As a designated recipient for the Denton-Lewisville FTA 5307 (formula) urbanized area allocation, a portion of these funds are required to be spent on transit enhancements.
New Project		

**Project Information/Status:**



## Capital Improvement Plan – Project Detail

### Project Name: Bus Maintenance Equipment

Project Number: 50302

#### Statement of Need/Description

DCTA currently outsources numerous maintenance functions due to lack of space and equipment within the existing leased facility. This can increase maintenance costs and amount of time vehicles are pulled from service, negatively impacting service reliability. The Operations & Maintenance Facility planned for 2015 will provide the space necessary to perform these additional repairs. Equipment intended for purchase could include fork lift, workbenches, brake lathe, wheel balancer and a parallelogram bus lift. Funds from the American Reinvestment & Recovery Act (ARRA) were allocated to fund this capital project.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	50,635	-	-		
2010-11	800	-	-	State Grants (RTRFI)	\$ -
2011-12	75,000	-	-	Federal Grants	500,000
2012-13	373,565	-	-	Operating Funds	-
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 500,000</b>

Change from Previous CIP		Project Notes
		<b>Coordinating Department: Bus Services</b>
No Change		A portion of the maintenance equipment will be purchased in 2012 with the remaining to be purchased in 2013.
Increase in Amount		
Decrease in Amount		
New Project	<b>X</b>	

#### 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	24,382	-	-	State Grants (RTRFI)	\$ -
2011-12	10,618	-	-	Federal Grants	102,322
2012-13	-	-	-	Operating Funds	27,515
<b>Total</b>	<b>\$ 129,837</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 129,837</b>
<b>Change from Previous CIP</b>			<b>Project Notes</b>		
			<b>Coordinating Department: Bus Services</b>		
No Change	<input checked="" type="checkbox"/>		* Original capital project in FY 2009; completed in FY 2010		
Increase in Amount	<input type="checkbox"/>		* Installed 17 video surveillance systems on current fleet in FY 2010		
Decrease in Amount	<input type="checkbox"/>		* FY 2012 budget will allow install of remaining units on new vehicles purchased		
New Project	<input type="checkbox"/>				

#### Project Information/Status:



## Capital Improvement Plan – Project Detail

### Project Name: Paratransit Scheduling Systems

Project Number: 50403

#### Statement of Need/Description

In 2012, DCTA will be expanding its use of Route Match demand response trip scheduling software and hardware. RouteMatch allows bus operations staff to schedule Access demand response trips in an efficient manner while monitoring real-time vehicle location.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	41,280	-	-		
2010-11	100,920	-	-	State Grants (RTRFI)	\$ -
2011-12	37,800	-	-	Federal Grants	180,000
2012-13	-	-	-	Operating Funds	-
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 180,000</b>

Change from Previous CIP		Project Notes
No Change	<b>X</b>	Project is funded 100% with America Reinvestment & Recovery Act funds (ARRA).
Increase in Amount		
Decrease in Amount		
New Project		

#### Project Information/Status:



**Project Name: Fleet Replacement**

**Project Number: 50502**

**Statement of Need/Description**

By keeping its 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	1,969,678	-	-	State Grants (RTRFI)	\$ -
2011-12	887,610	-	-	Federal Grants	2,829,990
2012-13	-	-	-	Operating Funds	307,003
<b>Total</b>	<b>\$ 3,136,993</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 3,136,993</b>
<b>Change from Previous CIP</b>			<b>Project Notes</b>		
			<b>Coordinating Department: Bus Services</b>		
No Change			DCTA plans to purchase 1 Gillig and 7 Cutaways in FY12		
Increase in Amount	<b>X</b>				
Decrease in Amount					
New Project					

**Project Information/Status:**



## Capital Improvement Plan – Project Detail

### Project Name: A-train Project Development/Construction

Project Number: 61XXX

#### Statement of Need/Description

The \$349.3 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. In FY11 the Positive Train Control (PTC) component of \$17M was added to the capital project scope due to the federal mandate to have PTC in place by 2015.



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 - 98,969,871
2009-10	98,698,294	-	-		
2010-11	121,121,427	6,445,734	336,087		
2011-12	33,288,176	13,386,815	1,263,412		
2012-13	10,150,000	20,158,245	1,425,120		
2013-14	4,247,441	20,429,073	1,468,640		
<b>Total</b>	<b>\$ 349,329,871</b>	<b>\$ 60,419,867</b>	<b>\$ 3,024,619</b>	<b>Total Funding</b>	<b>\$ 349,329,871</b>

Change from Previous CIP		Project Notes
No Change		<b>Coordinating Department: Rail Services</b> * Operating & Maintenance Agreement began FY 2011 * Grand Opening of A-train held in June 2011 * Vehicles scheduled to be delivered FY 2012
Increase in Amount	<b>X</b>	
Decrease in Amount		
New Project		

#### Project Information/Status:



## Project Name: A-train Project Development/Construction

### Capital Project Components

Component Name	Project Number	Budget
Line Construction	61101	\$ 136,982,790
MedPark Station	61201	8,397,813
Downtown Denton Station	61202	2,644,361
HV/LV Lake Station	61203	6,621,083
Old Town Lewisville Station	61204	7,351,050
Hebron Station	61205	2,195,959
MedPark Road Extension	61206	1,000,000
Trinity Mills (Construction)	61207	10,659
Rail Operations & Maintenance Facility	61301	24,027,741
Fare Collection Systems	61401	733,104
Communication System	61402	4,043,280
Traffic Signals	61403	3,046,178
Railroad Signal System/Crossing	61404	11,989,000
Positive Train Control (IP)	61405	179,619
Positive Train Control	61406	16,997,441
Rail Cars	61501	79,795,524
Stadler Implementation	61502	895,803
Professional Services	61601	24,267,166
CM/GC Pre-Construction	61602	522,315
Trail Relocation - North Region	61701	1,992,748
Project Management - DCTA Internal	61702	319,080
Rail Corridor - DART	61703	15,047,155
Neighborhood Sound Mitigation	61706	270,001
<b>Total Budget</b>		<b>\$ 349,329,870</b>



#### 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

**Project Name: Community Enhancements**

**Project Number: 61707**

**Statement of Need/Description**

This capital project will mitigate A-train impacts not included in the FEID and will provide treatments along Teasley as required by Denton City Council. These treatments will better integrate the A-train project into the communities within Denton that is served by DCTA transit services. Enhancements will include fencing, pedestrian improvements, landscaping and masonry walls for areas within Denton.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ - 602,066 150,642
2009-10	-	-	-		
2010-11	-	-	-		
2011-12	13,091	-	-		
2012-13	739,617	-	-		
<b>Total</b>	<b>\$ 752,708</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 752,708</b>

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

**Project Information/Status:**



## Capital Improvement Plan – Project Detail

### Project Name: Lewisville Bike Trail

Project Number: 61708

#### Statement of Need/Description

DCTA's RTRFI application included construction of an expanded bicycle and pedestrian trail south of Swisher. The full trail could not be constructed as part of the initial A-train project. The expansion will be built in phases as additional grant funds are identified. The next phase will be between the Hebron Station and the Highland Village / Lewisville Lake Station. Project must be under contract by July 2014 or the grant funds will be forfeited.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-		
2011-12	60,685	-	-	State Grants (RTRFI)	\$ -
2012-13	86,250	-	-	Federal Grants	2,860,517
2013-14	741,520	-	-	Operating Funds	628,879
2014-15	2,600,941	-	-		
<b>Total</b>	<b>\$ 3,489,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 3,489,396</b>

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Rail Services
Increase in Amount		
Decrease in Amount		
New Project	<b>X</b>	

#### Project Information/Status:





# CONNECT

**HEBRON**

**952 LAKESIDE CIR., LEWISVILLE TX**



**PLANNED TRANSIT ORIENTED DEVELOPMENT  
406 PARKING SPACES | SERVED BY CONNECT ROUTE 21**

# Denton County Transportation Authority Financial Management Policies

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### **Purpose**

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

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

### **Objectives**

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

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

### Reserve Fund Policies

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

- a. It will be the policy of DCTA to maintain a Fund Balance Reserve that is equal to three months of the total budgeted operating expenses (less capital project expenses) for the fiscal year. This Fund Balance Reserve is maintained to address unanticipated emergencies and may be allocated with approval by the Board if there are not sufficient resources in unreserved/undesignated retained earnings. An annual contribution will be budgeted from general operating resources as available to maintain the target reserve level.
- b. It will be the policy of DCTA to establish and maintain a Sales Tax Stabilization Fund. This Fund will be used to stabilize revenue received from sales tax in times of economic downturn and will be equal to three percent (3%) of annual sales tax.
- c. It will be the policy of DCTA to establish and maintain a Capital Replacement/Infrastructure Maintenance Fund (State of Good Repair) to provide funding for maintenance of capital assets and infrastructure at a sufficient level to protect DCTA's investment and maintain appropriate service levels. The use of any funds within the Capital Facilities/Infrastructure Maintenance Fund will be approved by the Board within the resources available each fiscal year.

Contributions to the Capital Replacement/Infrastructure Maintenance and Sales Tax Stabilization Funds will be made from available funds as identified in the annual budget, or amended budget. The V-P of Finance/CFO shall make a recommendation to the Board with regard to transfers to and from reserve funds. The Board shall authorize the transfers as the Board shall determine to be appropriate at that time. Guidelines for their contribution are as follows:

- a. All expenditures drawn from reserve accounts shall require prior Board approval unless previously and specifically authorized by the Board for expenditure in the annual budget or amended budget.
- b. Equipment Replacement – Twenty percent (20%) of bus/fleet replacement costs (reflective of anticipated grants) plus the full cost of one twelve (12) year life bus.
- c. Infrastructure – Available funds within limitations of current cash flow model, in accordance with assessed capital needs which shall be reviewed during the annual budget process.

If after procedures as outlined in the adopted budget contingency plan have been met, and a severe economic downturn or emergency requires draw down of fund balance reserve or sales tax stabilization fund the priority will be to replenish fund balances. Funds balances will be replenished within three (3) years, from any year-end budget surpluses. These surpluses may be achieved through expenditure reductions or through higher than anticipated revenues. The long range financial plan and annual budget will reflect the timeframe and plan for fund balance replenishment.

### Revenue Policies

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

### **Expenditure Policies**

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

- a. Department heads are responsible for managing budgets within the total appropriation. DCTA will conduct a regular review and analysis of major expenditure categories to help assure the most efficient use of resources
- b. DCTA will maintain expenditure categories according to state statute and administrative regulation.
- c. Emphasis is placed on improving individual and work group productivity rather than adding to the work force. DCTA will consider investing in technology and other efficiency tools to maximize productivity. DCTA will hire additional staff only after the need for such positions has been demonstrated and documented.
- d. All compensation planning will focus on the total cost of compensation, which includes direct salary, health care benefits, pension contributions, training allowance, and other benefits of a non-salary nature, which are a cost to DCTA.

### Accounting, Auditing and Financial Reporting

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

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

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

### Budget and Operating Policies

- a. Decisions of the Agency will be within the context of the long-range financial plan and the service plan. Staff shall provide a review of the implications of budgetary proposals on long-range plans.
- b. Chapter 460.403 of the Texas Transportation Code, requires the Board to prepare an annual budget. The annual budget shall be developed consistent with state law and in a manner which encourages early involvement with the public and Finance Committee of the Board of Directors and the Board. A calendar of events related to budget development shall be presented to Finance Committee each year prior to the start of the annual budget process.
- c. The Finance Department will maintain a system for monitoring the DCTA's budget performance. The system will provide the DCTA Finance Committee and the Board with monthly and / or quarterly information in a timely manner on fund level resource collections and department level expenditures.
- d. Under the DCTA's adopted administrative procedures, the budget may be adjusted or amended in two different ways. Adjustment of the budget may involve a reallocation of existing appropriations and does not change the "bottom line". No Board action is needed. Budget adjustments are done administratively. Amendment of the budget may involve an addition to or reduction of existing appropriations. In this case Board action, by resolution, is required.
- e. A Budget Contingency Plan will be adopted each year as part of the annual budget process. This will allow DCTA to be positioned to respond quickly to economic or market fluctuations. The Plan shall identify triggers, key action plans and monitoring processes to allow DCTA to recover and/or adjust to serious downturns effectively.
- f. Fixed asset inventories. Accurate inventories of all physical assets, their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The V-P of Finance/CFO will establish policies and appropriate procedures to account for fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories are taken.

### **Purchasing**

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

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

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

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

**Emergency procurement.** The DCTA President or his/her designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment or services when there exists a threat to public health, welfare, or safety. The Executive Committee of the Board will be notified immediately of such action. State laws relating to emergency purchases will be followed.

### **Cost Allocation**

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

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received. DCTA will prepare or have prepared an annual cost allocation plan to identify direct and indirect costs to use for recovering allowable costs under OMB Circular A-87 and in the development of cost of services as applicable for use in contracts for service delivery with outside entities. The plan will be prepared consistent with guidelines established by:

#### **The Federal Office of Management and Budget (OMB) Circular A-87**

OMB Circular A-87 establishes cost principles for State, local, and Indian Tribal Governments for determining costs for Federal Awards. Item 5 of the Circular states that, "The principles are for determining allowable costs only." In defining allowable costs, the Circular provides a definition of allocable costs on Attachment A, paragraph C.3.a, "A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received." The Circular further outlines costs that are allowable for charging the Federal government and distinguishes those that are specifically excluded from recovery.

#### **Governmental Accounting Standards Board (GASB)**

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

### **Debt Management Policy**

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

- A. To reduce the use of debt so that debt service payments will be a predictable and manageable part of the operating budget.
- B. To raise capital at the lowest cost, consistent with the need to borrow.

These will be accomplished by:

- a. Securing and maintaining a high credit rating (while making attempts to strengthen credit rating) (Long Term goal)
- b. Maintaining a good reputation in the credit markets by implementing and maintaining a sound capital program and managing the annual budget responsibly.
- c. Selecting professional service providers (underwriters, financial advisors, bond insurer's, etc. through negotiation, RFQ process or as defined for professional services under DCTA's procurement procedures.
- d. Issuance of debt on a competitive basis (except when conditions make a negotiated sale preferable) and award to the bidder who produces the lowest true interest cost and underwriting cost. Revenue bonds can be issued through a negotiated sale when the issue is unusually large, the project is speculative or complex, the issue is a refunding, or the market is unstable.
- e. Long-term debt issued will not exceed the life of the projects financed. Current operations will not be financed with long-term debt.
- f. Short-term borrowing will not be used for operating purposes.
- g. Compliance with continuing disclosure reporting requirements and its obligation to inform the Municipal Securities Rulemaking Board through the EMMA website (Electronic Municipal Market Access) of any and all continuing disclosure documents and annual financial statements. This site is used by the ratings agencies and investors. The DCTA's annual audited financial report will be sent to EMMA as soon as the external auditor issues the report and it has been presented to the Board of Directors
- h. Ensure no debt is issued for which DCTA is not confident that a sufficient, specifically identified revenue source is available for repayment. The V-P of Finance/CFO shall prepare an analytical review for this purpose prior to the issuance of any debt.
- i. Limit bonded indebtedness to levels that permit sufficient borrowing to support a reasonable rate of capital programming, permits a level and pace of debt amortization within the DCTA's ability to pay, and supports the DCTA's credit rating objectives. Credit enhancements shall be considered with a cost/benefit analysis for each long-term bond issue.
- j. Reserve accounts shall be maintained as required by bond ordinances and where deemed advisable by the Board. DCTA shall structure such debt service reserves to avoid violation of IRS arbitrage regulations.
- k. DCTA will maintain debt service coverage ratios as required for any bond issues but not less than an internal debt service coverage of 1.25X.

### **Investment Policy (As adopted 9/22/2011)**

### **POLICY STATEMENT**

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

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

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

### **SCOPE**

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

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

### **OBJECTIVES AND STRATEGY**

DCTA's policy is that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety of principal, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity by market sector, credit, and maturity. The choice of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should liquidity needs arise. To best meet anticipated cash flow requirements, the weighted average maturity (WAM) of the overall portfolio may not exceed 18 months.

#### Safety of Principal

Safety of principal is the foremost objective of DCTA. Investments of DCTA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The safety of principal is best achieved by limiting maximum maturities to two years or no further than expected project cash flow forecasts, limiting investment types to those specifically authorized by this policy, diversifying investments, and monitoring credit ratings on selected investment types.

#### Liquidity

DCTA's investment portfolio will be based on a cash flow analysis of needs and will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated. The portfolio will be structured so that investments mature concurrent with cash needs. Because all possible cash

demands cannot be anticipated, a portion of the portfolio will be invested in investments that offer same-day liquidity for unanticipated cash demands. In addition, a portion of the portfolio will consist of securities with active secondary or resale markets.

### Diversification

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

### Yield

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

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

### **LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY**

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

### **DELEGATION OF INVESTMENT AUTHORITY**

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

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

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

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

### Authorization Resolution

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

### **PRUDENCE**

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

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

### Limitation of Personal Liability

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

### **INTERNAL CONTROLS**

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

### Cash Flow Forecasting

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

### **AUTHORIZED INVESTMENTS**

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

A. Obligations of the United States Government, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), agencies and instrumentalities and government sponsored enterprises, excluding collateralized mortgage obligations (CMO’s), not to exceed two years to stated maturity with the exception of project funds which may be invested in longer maturities but not to exceed forecasted expenditure dates;

B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed two years to stated maturity. In addition, separate CDs issued by depositories wherever located, bundled together into a single investment with the full amount of principle and interest of each CD insured by the Federal Deposit Insurance Corporation (FDIC) may be purchased through a broker that has its main office in Texas and is selected from a list adopted by the Board or a selected depository institution with its main office or branch office in Texas. This broker or depository shall act as the custodian for the various certificates on behalf of DCTA.

C. Repurchase agreements and reverse repurchase agreements as defined by the Act, not to exceed 180 days to stated maturity, provided an executed Master Repurchase Agreement is on file with DCTA and the counterparty bank or primary dealer. Flexible repurchase agreements used specifically for capital projects may extend beyond the 180 day stated limitation, but shall not exceed the expenditure plan of the projects;

D. No-load SEC-registered money market funds, each approved specifically before use by DCTA;

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

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

### Competitive Bidding Requirements

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

### Delivery versus Payment

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

### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

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

Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

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

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

DCTA may appoint one or more investment advisors to assist the financial staff in the management of DCTA funds. The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an investment advisor. To be eligible for consideration, an investment advisor shall demonstrate knowledge of, and experience in, the management of public funds. An appointed investment advisor shall act solely in an advisory and administrative capacity, within the guidelines of this Investment Policy, and without any discretionary authority to transact business on behalf of DCTA.

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

### **DIVERSIFICATION AND MATURITY LIMITATIONS**

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

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

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement, the Investment Officer may not invest more than 20% of the

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

### **SAFEKEEPING AND COLLATERALIZATION**

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

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

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

#### **Collateralization**

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

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

### **PERFORMANCE EVALUATION AND REPORTING**

A comprehensive quarterly investment report shall be prepared by the Investment Officer or Investment Advisor within ten (10) days following the fiscal quarter end and be presented to the Board the month following the fiscal quarter end. As required by the Texas Public Funds Investment Act, the report will:

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

### **DEPOSITORIES**

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

### **TRAINING REQUIREMENT**

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

### **ETHICS AND CONFLICTS OF INTEREST**

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

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

### **SUBJECT TO AUDIT**

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

### **INVESTMENT POLICY ADOPTION BY BOARD**

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

Board Approved Independent Investment Training Sources

1. Texas Municipal League (TML)
2. Government Finance Officers Association (GFOA)
3. Government Finance Officers Association of Texas (GFOAT)
4. North Central Texas Council of Governments
5. Texas Higher Education Coordinating Board

## **BUDGET CONTINGENCY PLAN – FISCAL YEAR 2012**

***The following steps will be initiated immediately if a sales tax 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 except with necessity review by the Budget Assessment Team.
- Indefinitely freeze all vacant positions except with necessity review by the Budget Assessment Team.

### **4% REDUCTION:**

- 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 2009 Actual	FY 2010 Actual	FY 2011 Budget	FY 2011 Actual	FY 2012 Budget	% CHANGE FY11 Actual v. FY12 Budget
<b>PASSENGERS</b>						
Access	45,128	43,157	36,560	32,556	34,764	6.8%
Commuter Express	96,926	110,557	70,976	84,913	18,831	(77.82%)
Connect	290,023	347,744	340,086	414,493	365,483	(11.82%)
RSVP	720	1,574	1,369	2,317	2,280	(1.60%)
UNT	1,630,857	1,826,762	1,879,478	1,879,187	1,879,478	0.02%
NCTC	1,128	9,038	8,381	14,436	8,381	(41.94%)
<b>TOTAL PASSENGERS</b>	<b>2,064,782</b>	<b>2,338,832</b>	<b>2,336,851</b>	<b>2,427,902</b>	<b>2,309,217</b>	<b>(4.89%)</b>
<b>REVENUE VEHICLE MILES</b>						
Access	330,676	335,812	280,781	227,359	258,202	13.57%
Commuter Express	240,336	233,498	184,064	176,204	55,091	(68.73%)
Connect	490,135	582,763	583,675	564,243	598,031	5.99%
RSVP	4,221	9,071	9,369	13,830	12,800	(7.45%)
UNT	570,205	561,355	564,410	552,020	564,410	2.24%
NCTC	7,363	58,803	60,518	50,980	60,160	18.01%
<b>TOTAL REVENUE MILES</b>	<b>1,642,936</b>	<b>1,781,302</b>	<b>1,682,816</b>	<b>1,584,836</b>	<b>1,548,694</b>	<b>(2.27%)</b>
<b>REVENUE HOURS</b>						
Access	24,866	23,975	20,539	16,668	17,435	4.60%
Commuter Express	8,134	8,686	6,876	6,155	2,260	(63.28%)
Connect	35,612	39,572	39,599	39,106	40,765	4.24%
RSVP	776	1,561	1,577	1,595	1,577	(1.13%)
UNT	48,207	50,234	50,442	49,316	50,442	2.28%
NCTC	272	2,287	2,327	2,210	2,668	20.70%
<b>TOTAL REVENUE HOURS</b>	<b>117,868</b>	<b>126,315</b>	<b>121,360</b>	<b>115,050</b>	<b>115,147</b>	<b>0.08%</b>
<b>PASSENGERS PER REVENUE HOUR</b>						
Access	1.81	1.80	1.78	1.95	1.99	2.08%
Commuter Express	11.92	12.73	10.32	13.80	8.33	(39.60%)
Connect	8.14	8.79	8.59	10.60	8.97	(15.41%)
RSVP	0.93	1.01	0.87	1.45	1.45	(0.47%)
UNT	33.83	36.37	37.26	38.11	37.26	(2.22%)
NCTC	4.14	3.95	3.60	6.53	3.14	(51.90%)
<b>AVERAGE</b>	<b>10.13</b>	<b>10.77</b>	<b>10.40</b>	<b>12.07</b>	<b>10.19</b>	<b>(15.80%)</b>
<b>COST PER REVENUE HOUR</b>						
Access	\$ 49.23	\$ 61.53	\$ 74.00	\$ 77.94	\$ 79.58	2.11%
Commuter Express	89.86	81.00	90.66	88.72	43.95	(50.46%)
Connect	49.43	52.38	64.39	60.44	65.71	8.72%
RSVP	56.21	53.81	50.00	63.05	60.10	(4.68%)
UNT	47.09	46.76	54.95	55.44	70.43	27.04%
NCTC	61.51	53.93	71.78	61.28	84.74	38.29%
<b>AVERAGE</b>	<b>\$ 58.89</b>	<b>\$ 58.24</b>	<b>\$ 67.63</b>	<b>\$ 67.81</b>	<b>\$ 67.42</b>	<b>(0.58%)</b>
<b>COST PER PASSENGER</b>						
Access	\$ 27.13	\$ 34.18	\$ 36.39	\$ 39.91	\$ 39.91	0.01%
Commuter Express	7.54	6.36	9.08	6.54	5.27	(19.34%)
Connect	6.07	5.96	5.51	5.85	7.33	25.29%
RSVP	60.60	53.38	55.61	44.23	41.57	(6.02%)
UNT	1.39	1.29	1.09	1.74	1.89	8.63%
NCTC	14.85	13.64	13.18	11.48	26.97	134.96%
<b>AVERAGE</b>	<b>\$ 19.59</b>	<b>\$ 19.14</b>	<b>\$ 20.14</b>	<b>\$ 18.29</b>	<b>\$ 20.49</b>	<b>12.03%</b>
<b>FARE REVENUE PER PASSENGER</b>						
Access	\$ 2.71	\$ 2.47	\$ 2.45	\$ 2.59	\$ 2.64	1.93%
Commuter Express	2.01	1.71	1.77	1.43	1.07	(25.17%)
Connect	0.65	0.58	0.60	0.72	0.67	(6.30%)
RSVP	1.77	1.23	1.65	1.53	1.50	(1.96%)
UNT	1.27	1.23	1.31	1.49	1.50	0.34%
NCTC	16.15	13.51	14.48	8.88	17.23	93.99%
<b>AVERAGE</b>	<b>\$ 4.09</b>	<b>\$ 3.46</b>	<b>\$ 3.71</b>	<b>\$ 2.77</b>	<b>\$ 4.10</b>	<b>47.87%</b>
<b>FAREBOX RECOVERY RATIO</b>						
Access	10%	7%	6%	7%	7%	(5.51%)
Commuter Express	27%	27%	20%	22%	20%	(7.80%)
Connect	11%	10%	8%	12%	9%	(23.30%)
RSVP	3%	2%	3%	3%	4%	20.28%
UNT	91%	96%	89%	92%	79%	(14.02%)
NCTC	109%	99%	73%	80%	64%	(20.17%)
<b>AVERAGE</b>	<b>42%</b>	<b>40%</b>	<b>33%</b>	<b>36%</b>	<b>30%</b>	<b>(15.43%)</b>

BUS OPERATIONS PERFORMANCE INDICATORS

Ridership

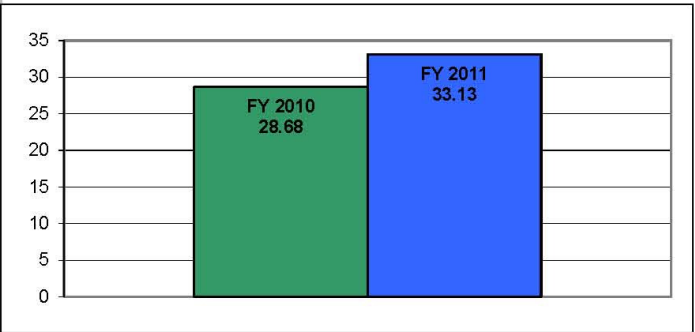
Ridership

September 2010 & September 2011

Performance Measures

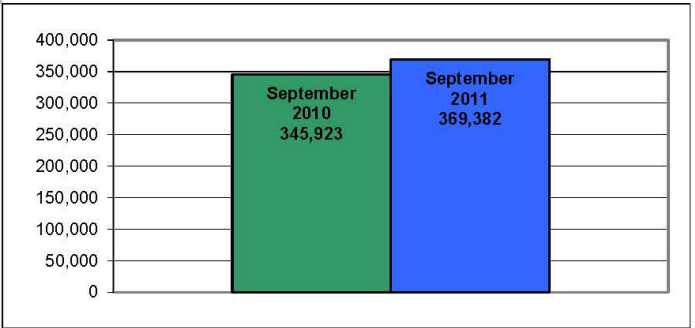
Systemwide Ridership per Revenue Hour

Systemwide ridership per revenue hour has increased month over month in September by 16%.



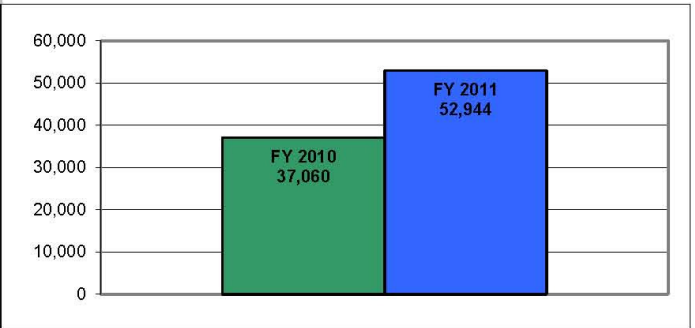
Systemwide Ridership

Systemwide ridership for September increased by 7% compared to last year.



Connect Ridership

Connect carried 52,944 passengers in September, which is a 43% increase over September 2010. Connect ridership for September 2011 made up 14% of total ridership.



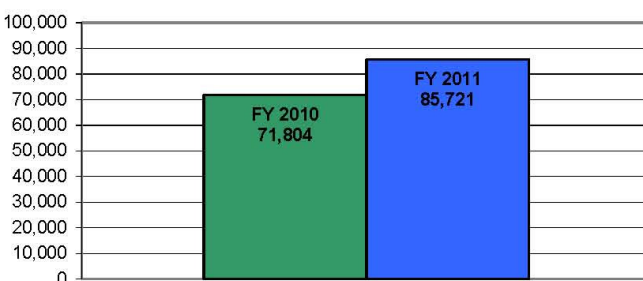
### **Connect RSVP Ridership**

Connect RSVP carried a total of 230 passengers in September, which is a 48% increase over last year.



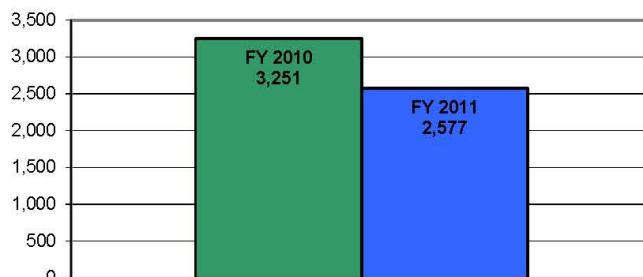
### **UNT Ridership**

UNT Shuttle carried a total of 308,544 passengers in September, which is a 6% increase from last year.



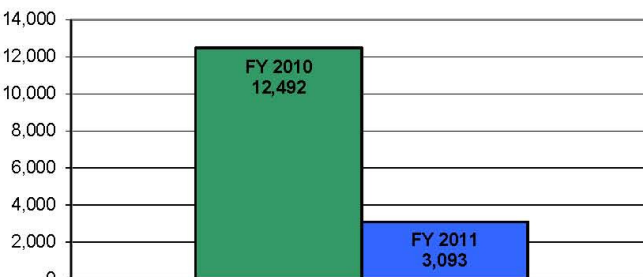
### **Access Ridership**

Access carried a total of 2,557 passengers in September, which is a 21% decrease from last September. In September, Access made up 1% of total ridership.



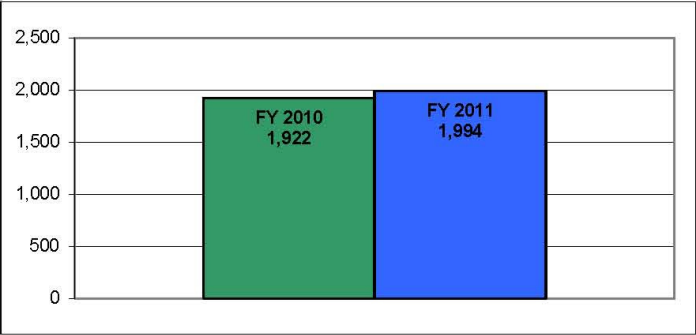
### **Commuter Express Ridership**

Commuter Express, which is now operating as a midday rail shuttle service, carried a total of 3,093 passengers in September, which is a decrease of 75% compared to last September solely due to the changes made in service.



**NCTC Ridership**

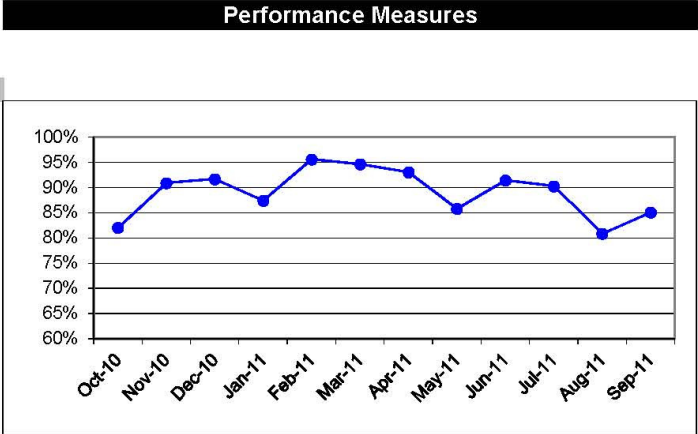
NCTC Shuttle carried a total of 1,994 passengers in September, which is an increase of 4% over last September.



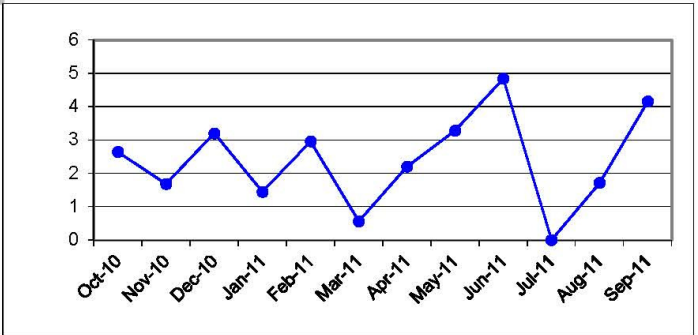
Customer Satisfaction

**Systemwide Performance**  
October 10 - September 11

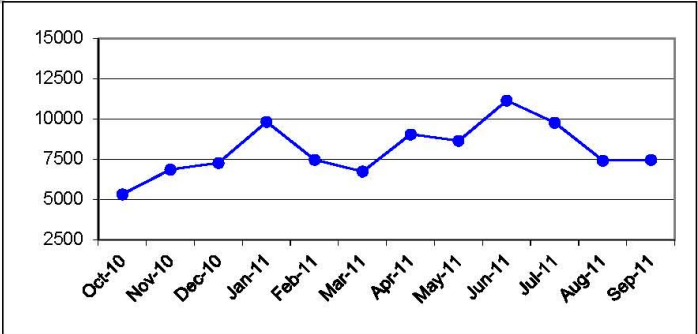
**Systemwide On-Time Performance**  
Systemwide on-time performance in September was 85%. 274 performance audits were conducted in September.



**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.



**Miles Between Road Calls**  
DCTA operated 7,456 miles between road calls in September.

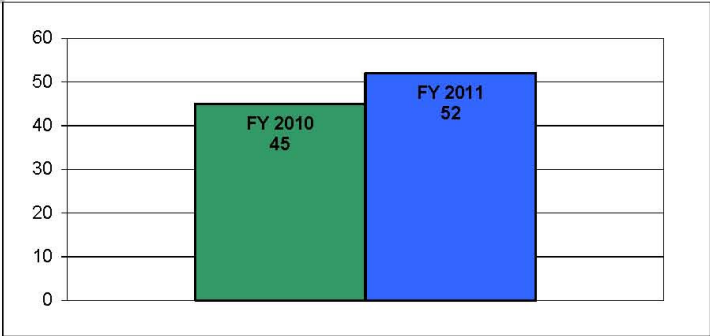


**Access**  
FY 2010 & FY 2011

**Performance Measures**

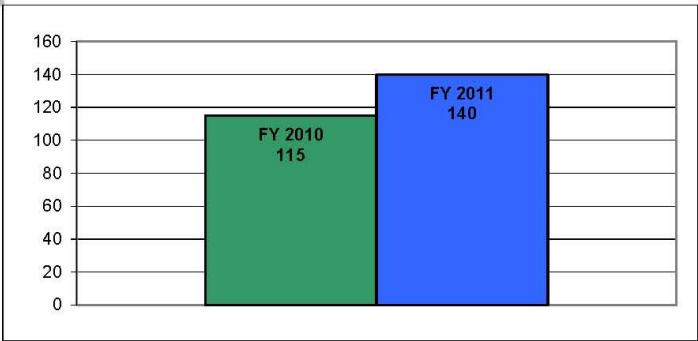
**Trip Denials**

Trip denials year to date have decreased by 42% overall from last fiscal year. Total trip denials to date for this fiscal year stands at 333 with 52 trips denied in September.



**No-Shows**

No-shows for the month of September have increased from last fiscal year by 30%.



## Financial Indicators

### Financial Indicators

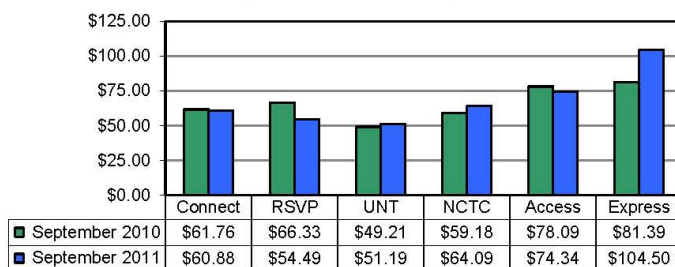
September 2010 & September 2011

#### Cost Per Hour

The overall cost per hour for DCTA bus services was \$58.06. This represents a 2% decrease compared to September 2010. Overall operating costs decreased by 9.5%.

### Performance Measures

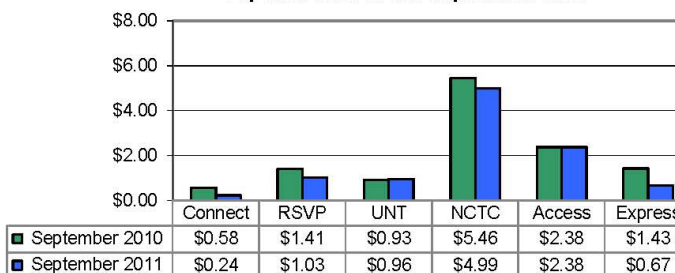
**Cost Per Hour --  
September 2010 vs. September 2011**



#### Revenue per Passenger

Overall revenue per passenger decreased 7% compared to last September.

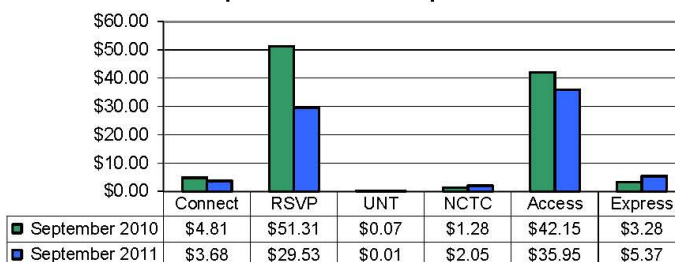
**Revenue per Passenger --  
September 2010 vs. September 2011**

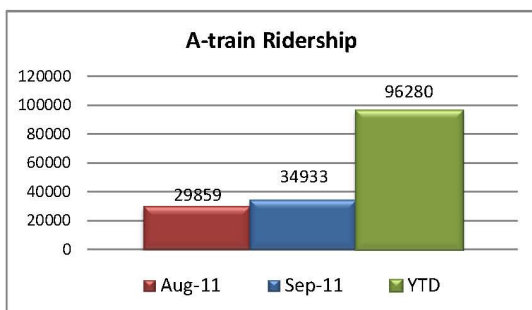


#### Subsidy per Passenger

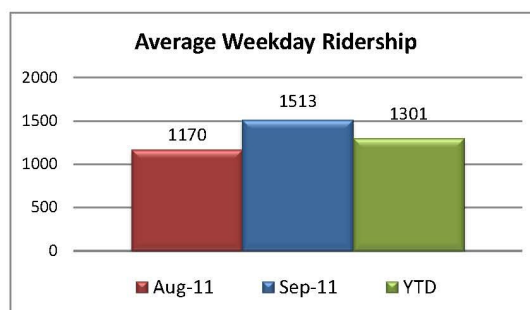
Subsidy per passenger decreased by 23% compared to last year.

**Subsidy per Passenger --  
September 2010 vs. September 2011**

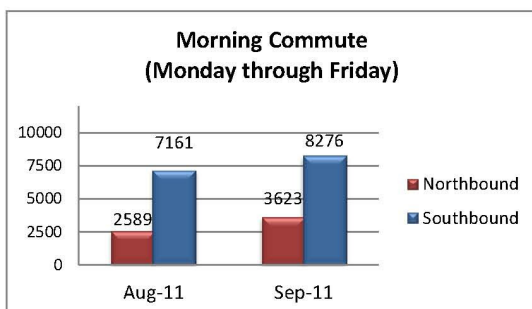




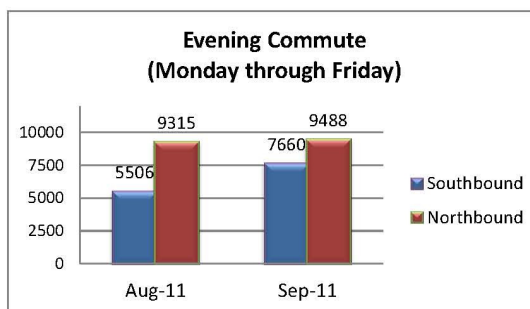
The A-train moved 34,933 passengers for the month of September, which is a 17% increase over the month of August. This increase is primarily due to the start of the UNT and TWU 2011/12 School year.



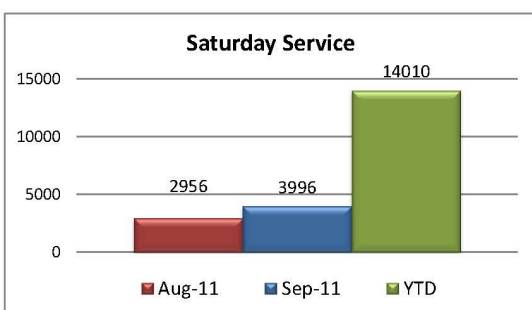
The average daily A-train ridership for the month of September reached 1,513 passengers per day. This is a 29% increase over the month of August. This increase is primarily due to the start of the UNT and TWU 2011/12 School year.



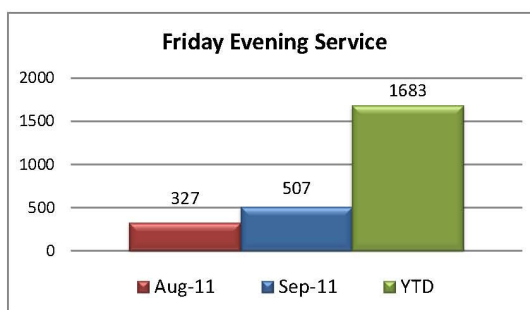
The A-train experience increases on both the northbound (40%) and southbound (16%) morning commute. The significant increase in the northbound commute primarily due to the start of the UNT and TWU 2011/12 School year.



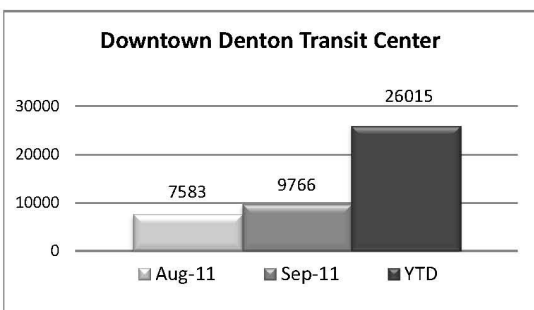
The A-train experience increases on both the northbound (2%) and southbound (39%) evening commute. The significant increase in the northbound commute primarily due to the start of the UNT and TWU 2011/12 School year.



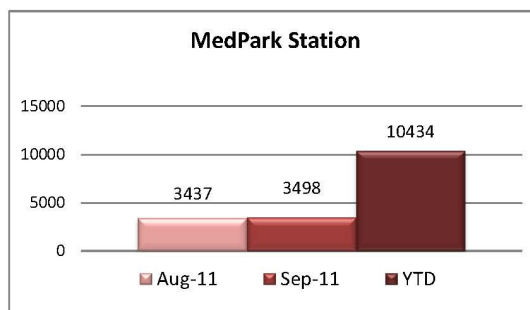
The A-train Saturday service experienced an increase in total ridership for the month of September of 35% over the previous month.



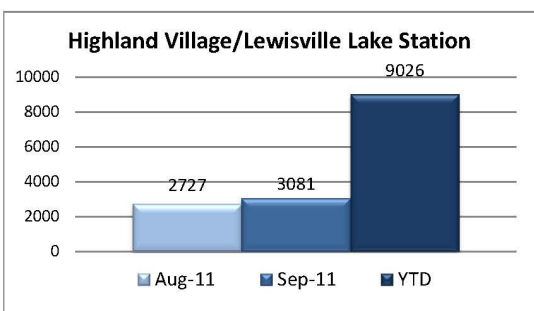
The A-train Friday evening service experienced an increase in total ridership for the month of September of 55% over the previous month.



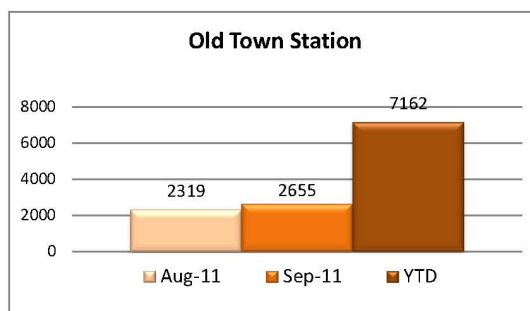
The DDTC A-train ridership increased by 29% month over month for September. This increase is primarily due to the start of the UNT and TWU 2011/12 School year.



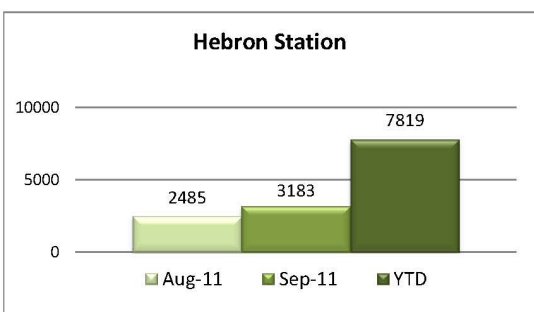
The MePark A-train ridership increased by 2% month over month for September, which reflects the A-train maintaining the base southbound commuter ridership.



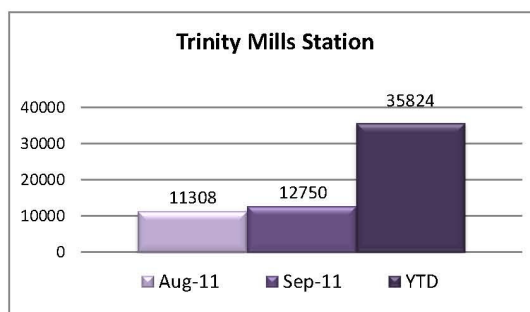
The HV/L L A-train ridership increased by 13% month over month for September, which reflects the growing the base southbound commuter ridership.



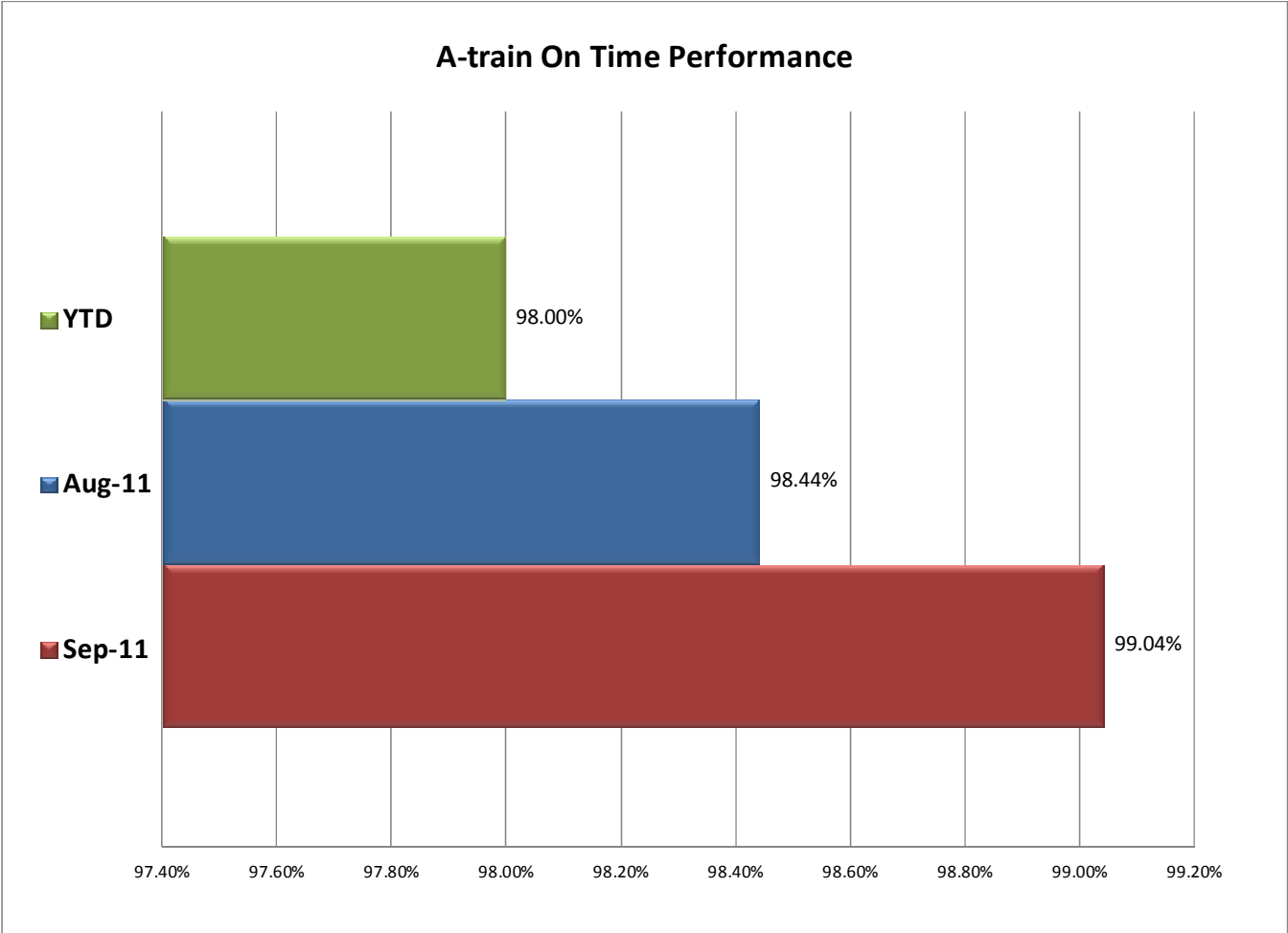
The Old Town A-train ridership increased by 14% month over month for September, which reflects the growing the base commuter ridership as well as an increase in northbound student ridership.



The Hebron A-train ridership increased by 28% month over month for September, which reflects the growing northbound student ridership.



The Trinity Mills A-train ridership increased by 13% month over month for September, which reflects the growing northbound student ridership.



## Denton County Community Profile

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	2000	2005	2010	2015	2020	2025	2030
<b>Denton County</b>							
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
<b>Denton</b>							
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
<b>Highland Village</b>							
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
<b>Lewisville</b>							
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

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

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY (DCTA) PROVIDING FOR ADOPTION OF THE DENTON COUNTY TRANSPORTATION AUTHORITY OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2011 - 2012, BEGINNING OCTOBER 1, 2011 AND ENDING SEPTEMBER 30, 2012; 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 2011 - 2012; ADOPTING THE DCTA CASH FLOW MODEL; AND PROVIDING AN EFFECTIVE DATE.**

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

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

**WHEREAS**, the budget, budget contingency plan, and cash flow model have been presented to the DCTA Board of Directors for review and comment; and

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2011 - 2012 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 2011 - 2012, the Budget Contingency Plan FY 2011 - 2012, and the DCTA Cash Flow Model, attached as Exhibits "A"- "D", be adopted and approved in all respects, and that the sums of money indicated in the proposed budget be approved as listed and that the estimate of income and financial support as shown be accepted as proper and sufficient to pay such expenditures for both the operating and capital portions of the Budget.

**SECTION 2.** That all 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 2010-2011 are hereby ratified, and the budget for fiscal year 2010-2011, 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.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 22<sup>nd</sup> DAY OF SEPTEMBER, 2011.**


**APPROVED:**

  
\_\_\_\_\_  
Charles Emery, Chairman

**ATTEST:**

  
\_\_\_\_\_  
Richard Moore, Secretary

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Peter G. Smith, General Counsel  
(PGS:09-14-11:51301)

# Resolution Adopting FY 2012 Operating & Capital Budget

## Exhibit A

Description	FY11 Revised Budget	Actuals as of July 31, 2011	FY12 Budget	% Increase / (Decrease)
<b>Revenue &amp; Other Income</b>				
Passenger Revenues (Bus Farebox)	347,170	365,527	302,905	-13%
Passenger Revenues (Rail Farebox)	336,087	78,696	1,263,412	276%
Contract Service Revenue	2,577,439	2,126,266	3,013,356	17%
Sales Tax Revenue	16,417,223	11,147,611	16,909,740	3%
RTRFI Funding	77,255,171	72,181,314	5,665,471	-93%
Federal/State Grants & Reimbursements	5,128,604	4,135,724	4,346,347	-15%
<b>Total Revenue &amp; Other Income</b>	<b>102,061,694</b>	<b>90,035,137</b>	<b>31,501,231</b>	<b>-69%</b>
<b>Operating Expenses</b>				
<b>DCTA</b>				
Salary, Wages and Benefits - DCTA	1,512,851	1,079,877	1,734,059	15%
Services - DCTA	1,806,977	1,063,250	1,015,666	-44%
Materials and Supplies - DCTA	631,072	177,362	1,393,088	121%
Utilities - DCTA	87,506	54,517	200,513	129%
Insurance, Casualties and Losses - DCTA	153,459	5,666	117,284	-24%
Purchased Transportation Services - DCTA	5,215,522	3,308,104	7,544,845	45%
Miscellaneous - DCTA	176,433	123,690	165,406	-6%
Leases and Rentals - DCTA	304,127	272,498	934,030	207%
Depreciation - DCTA	24,098	23,600	3,409,977	14050%
Subtotal - DCTA	9,912,045	6,108,565	16,514,868	67%
<b>TMDC</b>				
Salary, Wages and Benefits - TMDC	4,887,009	3,727,321	5,054,639	3%
Services - TMDC	351,198	325,276	373,980	6%
Materials and Supplies - TMDC	1,838,683	1,286,199	2,043,911	11%
Utilities - TMDC	96,400	61,167	106,900	11%
Insurance, Casualties and Losses - TMDC	354,456	242,065	354,456	0%
Miscellaneous - TMDC	2,220	1,184	2,220	0%
Leases and Rentals - TMDC	129,991	115,109	102,900	-21%
Depreciation - TMDC	957,273	766,181	1,222,394	28%
Subtotal - TMDC	8,617,230	6,524,503	9,261,401	7%
<b>Total Operating Expenses</b>	<b>18,529,274</b>	<b>12,633,067</b>	<b>25,776,269</b>	<b>39%</b>
<b>Income Before Non-operating Revenue &amp; Exp</b>	<b>83,532,420</b>	<b>77,402,070</b>	<b>5,724,962</b>	
<b>Non-Operating Revenues / (Expense)</b>				
Investment Income	107,785	90,063	48,000	-55%
Misc Income	137,970	167,048	62,000	-55%
Non-Operating Revenues / (Expense)	-	184,095	-	
Long Term Debt Interest/Expense	(833,511)	(868,284)	(1,283,919)	54%
<b>Total Non-Operating Revenue / (Expense)</b>	<b>(587,756)</b>	<b>(427,078)</b>	<b>(1,173,919)</b>	<b>100%</b>
<b>Change in Net Assets</b>	<b>82,944,664</b>	<b>76,974,992</b>	<b>4,551,043</b>	

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Exhibit B

Capital Improvement Plan

PROJECT NAME	Project Number	5 Year Capital Improvement Plan Original Project Budget	FY11 Approved Project Budget	Total Proposed Project Budget	LTD Expenses (July 2011)	FY09 Actuals	FY10 Actuals	FY11	FY12	FY13	FY14	FY15	FY16	PROJECT TOTAL
<b>BUS OPERATIONS</b>														
Passenger Amenities (Phase 2)	50202	174,011	229,326	229,326	131,834	-	118,176	25,623	85,527	-	-	-	-	229,326
Bus O&M Facility	50201	8,142,667	11,632,717	11,632,717	1,967,610	1,355,298	610,812	1,500	-	-	-	9,665,107	-	11,632,717
Bus Maintenance Equipment	50302	500,000	50,635	500,000	51,435	-	50,635	800	75,000	373,565	-	-	-	500,000
Security System Video Units	50401	129,837	129,837	129,837	119,219	-	94,836	24,362	10,618	-	-	-	-	129,836
Paratransit Scheduling Systems	50403	180,000	180,000	180,000	142,000	-	41,280	100,920	37,800	-	-	-	-	180,000
Electronic Fareboxes	50405	445,000	-	445,000	-	-	-	-	-	445,000	-	-	-	445,000
Fleet Replacement 2010	50502	1,968,500	3,517,275	3,136,963	2,249,383	-	279,705	1,969,678	887,610	-	-	-	-	3,136,963
DOTC	50303	-	-	373,282	-	-	-	-	373,282	-	-	-	-	373,282
<b>Total Bus Capital Projects</b>		<b>11,540,015</b>	<b>15,735,790</b>	<b>16,627,155</b>	<b>4,661,681</b>	<b>1,355,298</b>	<b>1,196,444</b>	<b>2,122,803</b>	<b>1,469,837</b>	<b>818,565</b>	<b>-</b>	<b>9,665,107</b>	<b>-</b>	<b>16,627,153</b>
<b>RAIL DEVELOPMENT</b>														
Line Construction	61101	143,300,000	140,151,137	136,982,790	134,232,726	34,881,399	60,000,979	42,100,413	-	-	-	-	-	136,982,790
MedPark Station	61201	8,683,334	9,820,362	8,397,814	8,003,489	3,253,335	439,836	4,705,642	-	-	-	-	-	8,397,813
Downtown Detroit Station	61203	-	1,750,805	2,644,361	2,554,209	-	171,264	2,473,097	-	-	-	-	-	2,644,361
HVLV Lake Station	61204	6,405,333	6,359,351	6,621,081	6,446,971	2,961,983	837,552	2,621,548	-	-	-	-	-	6,621,083
Old Town Lewisville Station	61205	7,783,333	8,463,305	7,351,054	7,144,639	3,042,400	1,305,127	3,002,324	-	-	-	-	-	7,351,050
Hebron Station	61206	-	1,168,659	2,195,958	2,091,493	47,322	1,203,219	945,418	-	-	-	-	-	2,195,959
MedPark Extension	61207	1,000,000	1,000,000	1,000,000	10,152	-	-	-	-	1,000,000	-	-	-	1,000,000
Trinity Mills - Capital Expense (NTRG)	61301	21,628,000	21,308,631	24,027,742	18,409,909	2,852,675	3,593,312	16,381,754	1,200,000	-	-	-	-	24,027,741
Rail O&M Facility	61401	569,000	733,105	733,105	628,015	-	48,503	684,601	-	-	-	-	-	733,104
Fare Collection Systems	61402	1,000,000	2,936,075	4,043,280	3,675,709	-	827,648	3,115,632	-	-	-	-	-	4,043,280
Communication System	61403	2,440,000	2,841,612	3,046,177	2,769,252	-	2,306,125	740,053	-	-	-	-	-	3,046,178
Traffic Signals	61404	9,920,000	11,969,000	11,969,000	10,653,232	-	5,737,393	6,231,607	-	-	-	-	-	11,969,001
Railroad Signal System/Crossing	61405	290,491	290,491	179,919	179,919	-	78,108	101,813	-	-	-	-	-	179,919
Positive Train Control Study - CLOSED	61406	16,997,441	16,997,441	16,997,441	239,172	-	8,143,528	25,153,677	3,002,070	9,150,000	4,247,441	-	-	16,997,441
Rail Cars	61501	71,500,000	79,795,524	79,795,524	45,229,713	18,463,017	15,746,722	3,294,346	895,803	-	-	-	-	79,795,525
Stadler Implementation	61601	-	23,766,307	24,267,65	23,696,037	-	5,071,068	155,000	-	-	-	-	-	24,267,166
Professional Services	61602	26,200,000	522,315	522,315	522,315	521,315	1,000	-	-	-	-	-	-	522,315
CM/GC Pre-Construction - CLOSED	61701	2,800,000	2,501,240	1,902,750	1,982,750	-	1,016,533	974,215	-	-	-	-	-	1,992,748
Trail Relocation - North Region	61702	-	316,695	319,081	319,082	31,372	286,996	711	-	-	-	-	-	319,080
Project Management - DCTA Internal	61703	10,000,000	15,046,995	15,047,155	15,047,155	22,995	7,524,120	7,500,040	-	-	-	-	-	15,047,155
Rail Corridor - DART - CLOSED	61706	-	270,000	270,000	243,260	-	3,956	266,045	-	-	-	-	-	270,001
Neighborhood Sound Mitigation	61707	752,708	-	752,708	-	-	-	-	13,091	739,617	-	-	-	752,708
Community Enhancements	61708	3,489,398	-	3,489,398	-	-	-	-	60,695	86,250	741,520	2,600,941	-	3,489,398
Lewisville Bike Trail	61709	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Rail Capital Projects</b>		<b>334,799,038</b>	<b>348,032,049</b>	<b>353,571,578</b>	<b>284,120,799</b>	<b>81,824,534</b>	<b>98,698,294</b>	<b>121,121,427</b>	<b>33,361,952</b>	<b>10,975,867</b>	<b>4,986,961</b>	<b>2,600,941</b>	<b>-</b>	<b>353,571,578</b>
<b>TOTAL CAPITAL PROJECTS BUDGET</b>		<b>346,339,051</b>	<b>353,771,840</b>	<b>370,198,133</b>	<b>288,782,481</b>	<b>83,179,832</b>	<b>99,893,738</b>	<b>123,244,330</b>	<b>34,831,789</b>	<b>11,794,432</b>	<b>4,986,961</b>	<b>12,266,048</b>	<b>-</b>	<b>370,198,129</b>
<b>SOURCE OF FUNDING</b>														
State Grants (RTRF) Included)														
Federal Grants		250,380,000			234,783,605	63,543,484	102,970,259	78,181,468	5,664,700	1,489,631	593,216	8,775,645	-	250,380,000
Previous Debt Issuance		16,333,183			4,324,162	-	1,395,828	3,129,133	969,730	-	-	-	-	16,333,183
Proposed Debt Issuance		20,000,000			20,000,000	-	-	14,300,000	-	9,150,000	4,250,000	-	-	20,000,000
Operating Funds		56,916,560			29,474,414	19,636,339	(4,472,350)	27,633,729	28,192,279	1,154,801	145,745	3,460,403	-	56,916,560
<b>TOTAL FUNDING</b>		<b>370,198,133</b>	<b>-</b>	<b>-</b>	<b>288,782,481</b>	<b>83,179,832</b>	<b>99,893,738</b>	<b>123,244,330</b>	<b>34,831,789</b>	<b>11,794,432</b>	<b>4,986,961</b>	<b>12,266,048</b>	<b>-</b>	<b>370,198,129</b>

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Exhibit C

DCTA Budget Contingency Plan  
FY 11-12

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

**Initial Precautionary Action**

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

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

**2% Reduction (\$338,195)**

- 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.

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Exhibit C

- Any overtime must be pre-approved by department heads.

**3% Reduction (\$507,292)**

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

**4% Reduction (\$676,390)**

- 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.

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# Resolution Adopting FY 2012 Operating & Capital Budget

Exhibit D

## Impact of FY12 Budget

	2011		TOTAL	2013	2014	2015	2016	2017
	FORECAST		2012					
<b>OPERATING REVENUES</b>								
Bus Operating Revenue	\$ 2,982,599	\$ 3,316,262	\$ 3,417,303	\$ 3,511,437	\$ 3,658,678	\$ 3,758,580	\$ 3,856,068	
Rail Operating Revenue	\$ 296,124	\$ 1,263,412	\$ 1,425,120	\$ 1,468,640	\$ 1,504,184	\$ 1,550,061	\$ 1,595,520	
<b>NON-OPERATING REVENUES</b>								
Sales Tax Revenue	16,417,224	16,909,740	17,417,032	18,113,713	18,838,262	19,591,793	20,375,464	
Formula Grants (Operating)	1,309,828	2,383,938	2,763,724	2,767,166	2,701,968	2,756,007	2,811,127	
Interest Income-Non RTRFI Funds	108,027	48,000	50,569	100,482	95,516	109,884	146,208	
Misc. Revenue	168,048	62,004	135,888	155,332	152,680	152,680	152,680	
Restricted RTRFI Interest Income	183,523	691	-	-	-	-	-	
<b>Total Revenues</b>	<b>21,445,372</b>	<b>23,984,047</b>	<b>25,209,637</b>	<b>26,116,770</b>	<b>26,951,288</b>	<b>27,919,005</b>	<b>28,937,067</b>	
<b>OPERATING EXPENSES</b>								
Bus Operating Expense	7,056,675	8,039,006	8,370,126	8,687,984	9,015,686	9,293,678	9,637,014	
Rail Operating Expense	6,174,104	10,397,864	9,500,800	9,790,934	10,027,891	10,333,743	10,636,797	
G&A Operating Expense	2,639,390	2,707,033	2,712,949	2,804,143	2,898,767	2,996,970	3,098,885	
<b>NON-OPERATING EXPENSES</b>								
Non-Operating (Income) / Expense	(226,016)	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>15,644,152</b>	<b>21,143,903</b>	<b>20,583,874</b>	<b>21,283,060</b>	<b>21,942,344</b>	<b>22,624,391</b>	<b>23,372,696</b>	
<b>NET INCOME</b>	<b>5,801,220</b>	<b>2,840,144</b>	<b>4,625,763</b>	<b>4,833,710</b>	<b>5,008,944</b>	<b>5,294,615</b>	<b>5,564,371</b>	
<b>CAPITAL OUTLAY</b>								
Bus Capital Expenditure (Maintenance Fac.)	590,795	582,227	818,565	-	9,665,107	-	-	
Bus Replacement Expense	1,989,678	887,610	-	-	-	-	-	
CM/GC Construction Phase	82,780,932	1,200,000	-	-	-	-	-	
Professional Services	5,190,679	655,000	-	-	-	-	-	
Stadler Fleet (Vehicles)	24,341,459	28,431,106	-	-	-	-	-	
Real Estate	742,808	-	1,000,000	-	-	-	-	
Right of Way	7,500,040	-	-	-	-	-	-	
Rail Capital Expenditure (LV Hike & Bike)	-	60,685	86,250	741,520	2,600,941	-	-	
Rail Capital Expenditure (Community Enhancements)	-	13,091	739,617	-	-	-	-	
<b>Positive Train Control</b>	<b>597,930</b>	<b>3,002,070</b>	<b>9,150,000</b>	<b>4,247,441</b>	-	-	-	
<b>Total Capital Outlay</b>	<b>123,714,321</b>	<b>34,831,789</b>	<b>11,794,432</b>	<b>4,988,961</b>	<b>12,266,048</b>	-	-	
<b>CAPITAL SOURCES</b>								
New Money (Debt Issuance)	14,390,000	-	13,400,000	-	-	-	-	
<b>RTRFI Funds</b>	<b>78,181,468</b>	<b>5,664,780</b>	-	-	-	-	-	
Formula Grants (Capital)	3,210,102	1,962,409	69,000	593,216	10,856,398	-	-	
<b>Total Capital Sources</b>	<b>95,781,570</b>	<b>7,627,188</b>	<b>13,469,000</b>	<b>593,216</b>	<b>10,856,398</b>	-	-	
<b>DEBT SERVICE</b>								
2008 Issue (ST) Debt Service	833,512	833,512	1,718,512	1,718,200	1,716,492	1,718,387	1,713,687	
2009 Refunding (ST) Debt Service	-	-	-	-	-	-	-	
<b>CAPITAL IMPROVEMENT PLAN (2011)</b>								
Contractual Obligations (Vehicles)	315,285	315,285	336,945	336,945	751,945	763,965	770,183	
Contractual Obligations (Pos Train Cont)	135,122	135,122	113,463	1,391,463	1,525,463	1,525,881	1,534,642	
Other Sales Tax Bonds	-	-	-	-	-	-	-	
<b>Total Debt Service</b>	<b>833,512</b>	<b>1,283,919</b>	<b>2,168,920</b>	<b>3,446,608</b>	<b>3,993,900</b>	<b>4,008,223</b>	<b>4,018,512</b>	
Gross Sales Tax Coverage:	19,700	13,170	8,030	5,260	4,720	4,890	5,070	
Internal Debt Service Coverage:	6,960	2,210	2,130	1,400	1,250	1,320	1,380	
Beginning Fund Balance:	\$ 57,042,278	\$ 34,077,235	\$ 8,428,859	\$ 12,560,270	\$ 9,551,627	\$ 9,157,020	\$ 10,443,412	
Year End Audit Adjustment	-	-	-	-	-	-	-	
<b>Ending Fund Balance:</b>	<b>34,077,235</b>	<b>8,428,859</b>	<b>12,560,270</b>	<b>9,551,627</b>	<b>9,157,020</b>	<b>10,443,412</b>	<b>11,989,271</b>	
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-	
Less Required Fund Balance (O&M Reserve Policy):	3,911,038	5,131,068	5,145,969	5,320,765	5,485,586	5,656,098	5,843,174	
<b>Capital/Infrastructure Reserve</b>	<b>30,166,197</b>	<b>3,297,791</b>	<b>7,414,301</b>	<b>4,230,862</b>	<b>3,671,434</b>	<b>4,787,314</b>	<b>6,146,097</b>	
<b>Net Available Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

Prepared by: DCTA Finance Dept  
Original Release Date: September 2011

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## Glossary of Terms

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**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 center of the vehicle and which houses the entire power plant.

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

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

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

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

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

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

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

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

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

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

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

**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.

*About the Artists.*

*David Shaw and Kate Althoff live in Denton, TX. They met while attending the University of North Texas and began collaborating in 2008 on mixed media and traditional graphic design and small business branding. David is an artist, graphic designer, and small business owner. Kate is a graphic and web designer.*

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ORIGINAL COVER ART & DESIGN BY DAVID SHAW  
TAB DESIGN BY KATE ALTHOFF