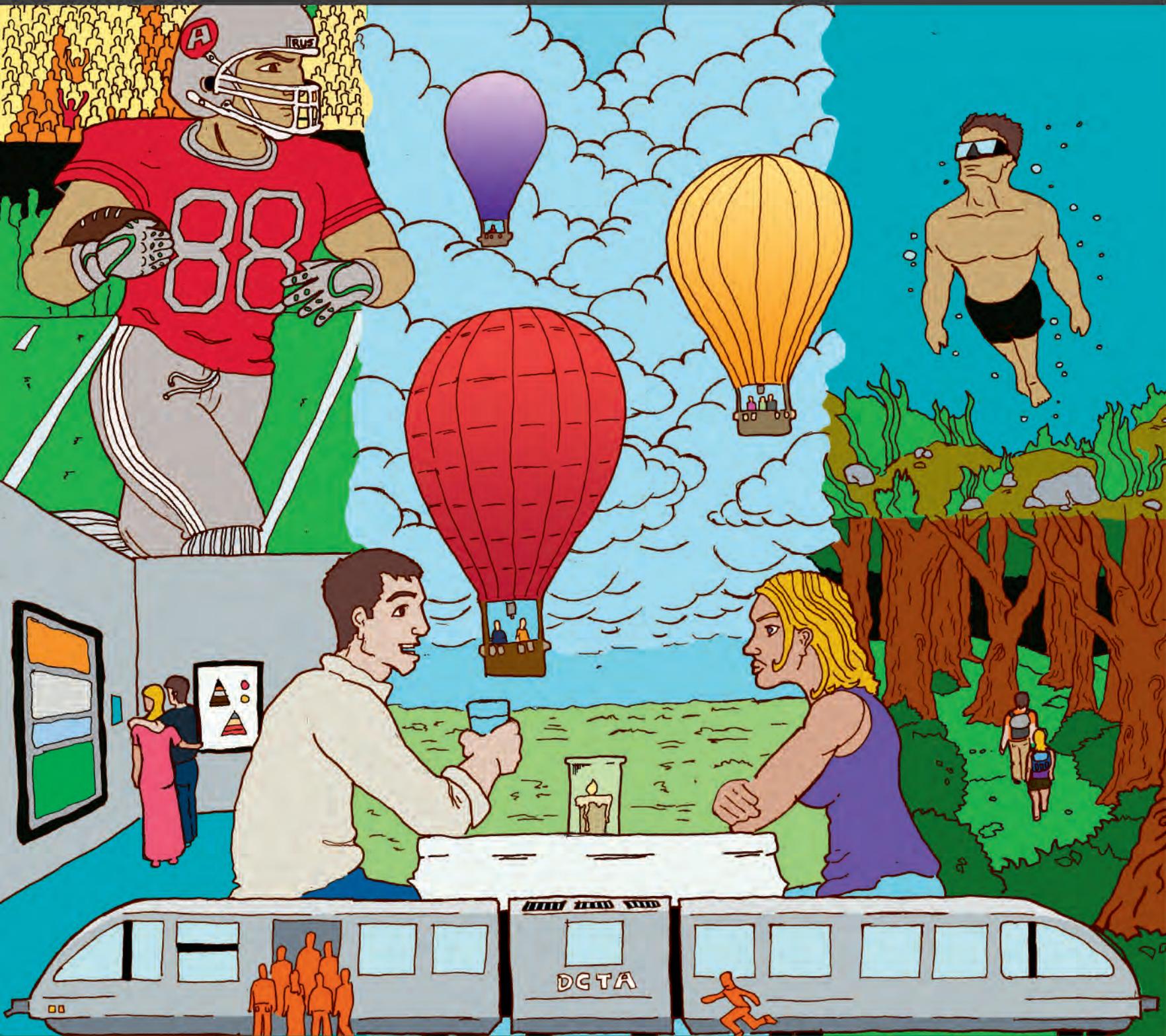


# DENTON COUNTY TRANSPORTATION AUTHORITY



OPERATING & CAPITAL BUDGET  
FY 2013 | LEWISVILLE, TX



**Denton County Transportation Authority**  
**2012-13 Operating & Capital Budget**

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## Denton County Transportation Authority

### Vision, Mission, Core Values and Goals

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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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## Denton County Transportation Authority

### Vision, Mission, Core Values and Goals

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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

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Denton County Transportation Authority  
Texas**

For the Fiscal Year Beginning

**October 1, 2011**

*Linda C. Danson Jeffrey R. Egan*

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Denton County Transportation Authority, Texas for its annual budget for the fiscal year beginning October 1, 2011. 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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CONSIDER THE IMPACT:

# COMMUNITY



**390,000**

A-TRAIN INAUGURAL  
YEAR RIDERSHIP

**500,000**

CONNECT RIDERSHIP IN  
DENTON & LEWISVILLE



**2,976,271**

TOTAL TRIPS ON DCTA A-TRAIN & CONNECT



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

September 27, 2012

Dear Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2013 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 FY13 Budget reflects the second 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. This budget includes funding for increased service hours with the first full year of mid-day rail services and additional hours for bus service in Lewisville. 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 adopted by the Board in January of 2012 as part of the Long Range Service Plan. These goals reinforce a focus on excellence.

- Maximize service efficiency and reliability
- Maximize the effectiveness of service for DCTA's ridership markets
- Increase the visibility and elevate the image of the Authority
- Expand DCTA's services into areas where transit has a likelihood of success
- Coordinate regional services with other regional transit providers
- Tie the provision of transit to land-use and the resulting demand levels

## Budget Message cont.

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- Advocate sustainable development practices that support transit
- Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values

Since its creation in 2002, DCTA has been a goal driven agency. Each year has seen the completion of major initiatives and components of the Service Plan. Fiscal Year 2012, the year just completed, was no exception. Those accomplishments are detailed on page 29 of this budget document.

The budget process is structured to allow staff, the Budget Committee and the Board of Directors adequate time for review and analysis of the key components of the budget. In February 2012 the Board reviewed the rolling five-year cash flow model that served as the foundation for the development of the FY13 Budget. The initial budget process began in March/April with the development of department objectives and performance measures that supported the adopted Board goals. After identifying all revenue sources available to the agency for FY2013, staff began the process of developing the operating budget consistent with Board Mission Statement and adopted Goals. The final step in creating the FY 2013 budget was completing the five-year capital plan and identifying the operating impact of that capital plan. At meetings in May through August, components of the proposed budget were presented in detail to the Budget Committee for review and deliberation. The Budget Committee is comprised of members of the DCTA Board of Directors and appointed by the Board Chairman. The Budget Committee forwarded a proposed budget to the full Board at its August meeting for Board review and public comment. The Board adopted the FY13 Budget and the updated Cash Flow Model at its September 2012 meeting.

### BUDGET SUMMARY

The development of any budget is always challenging because needs for services are great and outweigh the available resources. Economic and market conditions have continued to show improvement over the last year, although consumer confidence continues to fluctuate and job creation remains spotty. This uncertainty 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 passenger rail service and bus transit services. With the implementation of the Stadler vehicles into service, DCTA completed the final portion of its \$340+ million commuter rail capital project. A detailed narrative of the components that build the FY13 budget is provided on pages 37-41 of this document. Following is a brief summary:

Revenues for FY2013 are projected at \$46.5 million, an increase of 36% over FY12 revised budget amount of \$34.2 million and expenses total \$55.0 million. An additional \$8.5 million will be utilized from unrestricted net assets. The rail capital project is complete. State grant reimbursements in FY13 include the capital project for community enhancements. Federal grant reimbursements for FY13 include \$5.5 million of a \$8.2 million State of Good Repair grant received for the construction of a bus operations and maintenance facility

## Budget Message cont.

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and \$940 thousand for the “Where’s My Ride capital project. This budget anticipates \$2.7 million in operating grants and \$6.9 in capital grants. This is an increase in Federal grants of \$3.8 million compared to FY12. FY13 also includes a new money debt issuance of \$13.4 million anticipated for the funding of the Positive Train Control project.

DCTA received \$4.1 million in American Recovery and Reinvestment Act (ARRA) funds in 2010. The FY13 budget includes spending the balance of \$1.3 million in ARRA funds. 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 have been uncertain economic conditions and market fluctuations at the national and state level, the state of Texas and Denton County have experienced less of this volatility when compared to other regions. DCTA has seen an improvement in sales tax receipts between FY11 and FY12. Sales tax is budgeted at a 3% increase for FY13 resulting in an additional \$1.2 million 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 \$55.0 million for the FY13 budget. Capital comprises 39% of the total. Operating expenses total \$31.3 million and reflects an increase of \$3.2 million or 10% over the previous year (revised FY12). The major increases in the expenditure portion of the budget are due an increase of \$832,289 in Purchased Transportation for the second full year of A-train operations and \$3.6 increase in depreciation as a result of completion of the rail project construction. In addition, salaries/wages and benefits increased by \$534 thousand as a result of merit plan adjustments, increase in medical benefits.

- \$8.4 million is budgeted for Purchased Transportation for contracted service for train operations, dispatch and related maintenance service for the A-train. This reflects the second full year of rail operations with additional service hours for mid-day service added in August of 2012..
- \$627,650 decrease in Leases and Rentals reflects completion of the lease for the Rail Diesel Car (RDC) lease from DART which offsets the annual payment of \$150,000 for the DART Right of Way lease payment
- Reserve Funds for Fuel Stabilization and Sales Tax Stabilization were funded at \$100 thousand and \$500,000 respectively as well as funding of a Capital/Infrastructure Reserve Fund
- Five (5) Expanded Level Projects is approved in the FY13 budget including expanded Bus Service (32 revenue hours in Lewisville, additional IT contract support, enhanced marketing funding, 1.5 FTE’s to provide administrative support and funding for a Rider Alert System.
- Fuel is budgeted at \$4.00 per gallon and also includes one full year of mid-day service for the A-train and an additional 32 hours of bus revenue service. The increase in fuel is offset in part by reductions in bus parts and maintenance due to the replacement of old buses. The net increase is \$124,341

## Budget Message cont.

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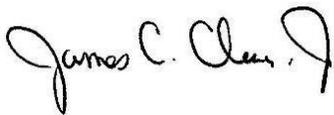
compared to FY12.

- An increase of \$684,540 in annual debt service expense for principal and interest payments for the 2009 refunding and 2011 new money issuance.
- An increase of 10% in health care benefits based on anticipated increase in costs, resulting in an \$111,000 increase over FY12
- 3% merit pay (pay for performance for DCTA employees) is included in this budget. This is an increase of approximately \$32,000 to allow for merit pay based on employee performance evaluations. \$25,000 is also budgeted for a market range adjustment. 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 and the conduct a market range survey 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.

The focus in FY13 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 \$21.5 million in capital projects in FY13, which is a \$15.1 million decrease over the FY12 budget. Of the total planned for capital projects, \$11.5 million is related to rail services and \$10 million for bus services. The bus capital project component includes \$8.3 million for the construction of the bus operations and maintenance facility and \$940 thousand for "Where's My Ride". The maintenance facility is scheduled for completion by January of 2014. The major rail project anticipated in the FY13 budget is \$9.5 million for Positive Train Control implementation.

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  
Dave Kovatch  
City of The Colony



Board Treasurer  
Paul Pomeroy  
City of Highland Village



Board Member  
Richard Huckaby  
City of Denton



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  
Don Hartman  
Denton County Unincorporated



Board Member  
Tom Spencer  
Small Cities

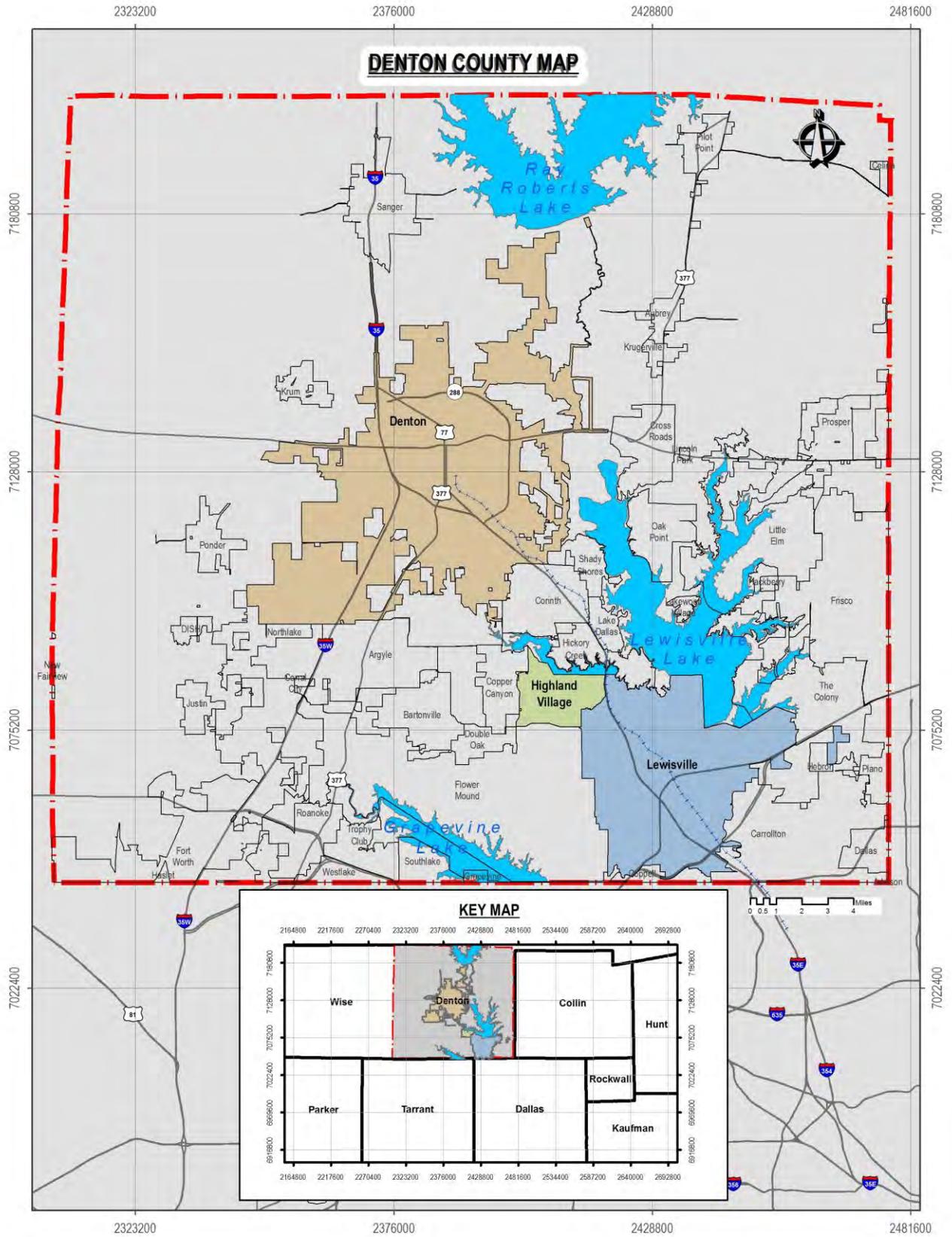


Board Member  
Bill Walker  
Small Cities

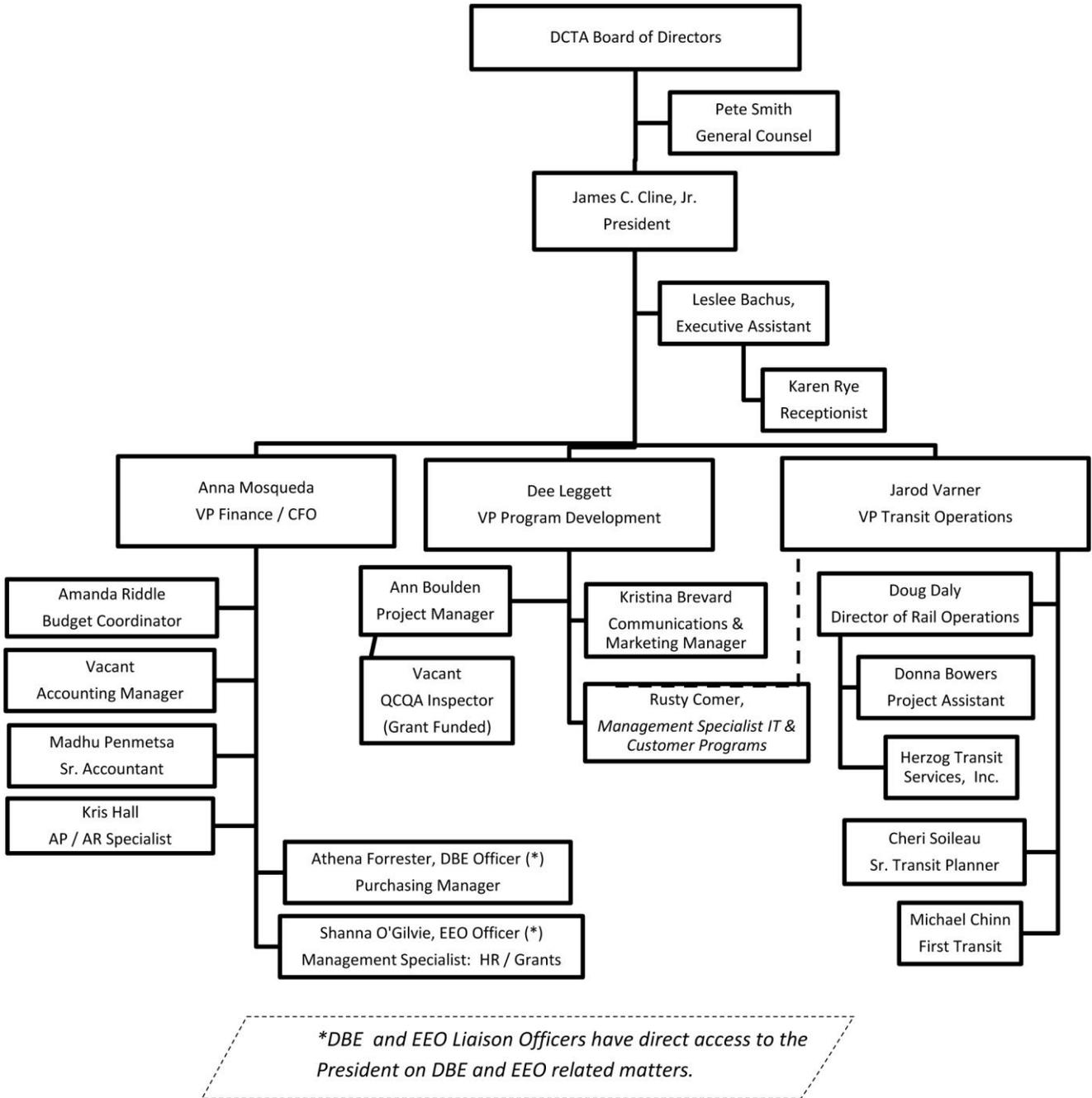
Board Member  
Vacant

City of Frisco

# Denton County Map



DCTA ORGANIZATION CHART



### **DCTA AT A GLANCE**

The Denton County Transportation Authority (DCTA) was created in 2001 by the Texas Legislature to accelerate transportation solutions critical to reducing traffic congestion and enhancing air quality, while contributing to orderly growth and development and improving the quality of life for current and future residents of Denton County, Texas. Since being authorized by 70% of Denton County voters in 2002 and funded in 2003 by a dedicated sales tax from the cities of Denton, Lewisville, and Highland Village, DCTA has taken an aggressive approach to service implementation fulfilling the service components of its initial service plan in 2011.

DCTA provides numerous transit services within Denton County, a northern collar county of Dallas County. DCTA operates 21 fixed routes, a general public demand response service, a 21.5 mile commuter rail system, vanpool services and demand response/paratransit service. DCTA's system includes 57 peak bus vehicles and 8 peak rail vehicles and serves 2.5 million passengers annually. In addition to supporting 144 jobs, DCTA services connect three major higher-education institutions, connect with the regional transit network and serve key employment, healthcare and government centers in Denton County.

DCTA's aggressive approach has resulted in an 85% increase in ridership since initiating its service plan and assuming existing city operations. Since 2009, bus service improvements and the launch of the A-train yielded yearly record ridership, surpassing 2.5 million passenger trips in 2011.

The launch of the A-train in June 2011 was a major milestone and completed the components of the initial service plan. The \$340 million locally funded project connects with Dallas Area Rapid Transit (DART) and provides residents with a vastly improved commute. Commuters will have an alternative to I-35E when its planned expansion is underway and the A-train will mitigate construction related congestion.

The Authority's new service plan, adopted in December 2011, and DCTA's development efforts for the nation's first alternative compliant Diesel Multiple Unit (DMU) rail car demonstrates DCTA's concerted efforts to expand transit opportunities throughout Denton County and North Texas.

### **SAFETY**

DCTA's policies, procedures, services, employee training and professional development are all focused on the goal of creating and maintaining a culture based on safety and security principles.

Over the last three years, DCTA has expanded its bus system and constructed a new rail system to further DCTA's commitment to providing safe and efficient mobility solutions for Denton County. DCTA's investments in safety through design, equipment purchases, training, community education and improved hiring practices have reduced on-the-road accidents by 40% and resulted in zero recordable injuries on the A-train construction site and 323 days without a reportable occupational injury in rail operations. DCTA has invested in safety equipment to improve the operations for both staff and passengers. DCTA has installed security cameras on 27 buses which represents 40% of its fleet. Because of the various types of mobility devices in use today, DCTA has purchased securement traps to improve access for mobility impaired users.

## Services and Activities

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DCTA's bus operations division, which is provided through a management contract with First Transit, has been recognized in 2010 and 2011 by First Transit for its safety record. This strong record has been maintained because of increased training and the involvement of the Safety Committee. The Safety Committee, which consists of supervisors, operators and support personnel, identifies hazards, recommends solutions and discusses training/re-training opportunities.

When DCTA took over existing systems in 2005, it acquired inadequate facilities. In the last three years, DCTA has made significant improvements. In 2009, passenger shelters were installed along routes. In 2011, DCTA constructed a new transit center in Denton offering a safer area for passengers to wait for the bus with improved lighting and pedestrian access and security cameras with a staffed security office. DCTA is in the final design stages of a new Bus Operating and Maintenance facility, replacing an existing leased facility which was never intended for transit use. A transit specific design decreases the risk posed by occupational safety hazards that exists in the leased facility. Design requirements include proper lighting, signage, fire protection, fencing, non-slip surfaces, and key-card access to secure facilities including vehicle parking.

In 2009, DCTA began construction on the A-train, the 21-mile commuter rail line which was the central element of the Authority's initial service plan. Recognizing that this was a major construction project that would initiate rail service in areas unfamiliar with commuter rail, DCTA and its contractors placed a strong emphasis on safety through design, occupational training, enforcement, and community education. DCTA's investments have resulted in over 1,000 area first responders receiving critical response training on rail vehicles, over 12,000 citizens being educated on rail safety, 43 rail crossings qualifying as Quiet Zones and a high-probability of operating the first alternative compliant Diesel Multiple Unit (DMU) rail vehicle.

During the A-train launch, DCTA also worked closely with the first-responders along the corridor by forming a Fire-Life Safety Committee. The committee has met at least quarterly since 2009 to coordinate with and provide resources, training, and information to local law enforcement and first responders in DCTA's service area. These meetings provide an opportunity for DCTA and the agencies to collaborate and effectively address any fire and life safety challenges related to the A-train.

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

## **OPERATIONS**

Guided by the Agency's mission statement, DCTA has built ridership on the bus system and launched a regional rail system with the intent of creating and maintaining a system that operates as safely and efficiently as possible.

DCTA closely monitors its system performance and provides statistical performance reports to its Board of Directors monthly. The bus and rail systems currently average 97% on-time performance. DCTA monitors each

## Services and Activities

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route by reviewing passengers per mile, passengers per hour, total ridership per month and numerous financial indicators to identify high and low performing areas. Those areas are then further reviewed every six months for adjustment or corrective action. DCTA also closely monitors street repairs and has developed alternative route options to minimize impact to operations.

When launching the rail service, DCTA teamed with regional partners to share resources and gain greater operating efficiencies. This resulted in a privatization of its operations and maintenance through a partnership with DART. Factors impacting DCTA's decision included the aggressive timeline for service implementation, a constrained operating budget, the need to maintain the leased fleet and right-of-way owned by DART, and the existing relationship between DART, the Fort Worth Transportation Authority (The T) and Herzog Transit Services. Building on the existing relationships and contracts allowed for speedy service implementation due to reduced mobilization needs and shared use of an existing maintenance facility. Shared overhead allowed DCTA to afford more service. Herzog's knowledge of DART's fleet leased to DCTA provided a level of comfort for DART that their assets would be maintained by a team intimately familiar with the equipment. In turn, DCTA built a back-up dispatch center in its new rail facility to offer redundancy to other regional dispatch centers.

DCTA's new-generation rail vehicle not only improves safety but offers a more efficient operation than traditional commuter rail equipment. The new DMU vehicles will significantly improve fuel efficiency over the current vehicles. Furthermore, GTWs have better braking and acceleration abilities allowing for shorter headways and improved travel time for DCTA passengers.

### **CUSTOMER SERVICE**

DCTA believes that all customers are important and add value to the system. The Authority strives to create and maintain positive relationships with internal and external customers. This commitment is demonstrated by the 90% satisfaction rating consistently given to DCTA staff during annual customer surveys. To maintain service excellence, DCTA actively seeks better tools to engage customers, improve the passenger experience and expand transit's influence throughout the region.

In 2011, DCTA combined general customer service call intake with demand response scheduling functions to provide more efficient and effective customer information. All call center representatives now answer fixed route, demand response or rail related questions without the need for transfers. The call center is also trained on other regional transit systems eliminating the need for the customer to call DART or The T. DCTA's call center expanded its hours to better align with DCTA operating hours and invested in an enhanced phone system that has resulted in faster answer times, shorter hold time and a decrease in dropped calls. The new call center has reduced costs, improved service to the customer and created seamless connectivity for the customer between the regional transit providers.

A key addition to DCTA customer service was the development and opening of the Downtown Denton Transit Center (DDTC) which is staffed with three on-site customer service representatives assisting with ticket sales, train and bus schedules and general information requests. The facility, which opened in 2011, includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and windbreakers. The transit center

## Services and Activities

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also offers free Wi-Fi, restrooms, conference and community use rooms; climate controlled waiting area with cable TV, vending machines and a covered patio often used as a free music venue. Prior to the DDTTC, passengers were required to transit in the elements with virtually no passenger amenities.

DCTA is always looking for better ways to communicate with its customers. In 2009, DCTA launched a project specific website for the A-train to house all construction information and revamped its own website a year later to provide a trip planning tool using Google Transit. DCTA actively engages the public through social media including Twitter, Facebook, LinkedIn, WordPress and Foursquare. The Authority has over 1,500 followers on Facebook and 762 followers on Twitter. DCTA President Jim Cline also has his own Twitter account. These efforts have increased the Authority's presence within the "wired" community and enabled staff to interact with customers in the methods most comfortable to the customer.

DCTA has recently implemented an application to evaluate and document customer feedback. GORrequest is a web based and smartphone application that allows customers to communicate with DCTA offering suggestions, commendations and complaints. The comments are monitored by management, logged and tracked to completion. The customer is contacted via their preferred method of communication and given a resolution to their request as soon as possible. In accordance with the Authority's Customer Service Protocol, each comment must be closed within seven days.

## FINANCIAL MANAGEMENT

DCTA understands that a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA's long-range financial planning process, initially adopted in 2009, is supported by the Financial Management Policies, the Long Range Financial Plan and the Long Range Service Plan. The Long Range Financial Plan is updated and adopted annually as part of the budget process and is reviewed mid-year for any impact of major operating or economic changes. The Financial Management Policies are reviewed annually. This regular review of the financial health of the organization and its link to service planning allows for more sustainable and cohesive service delivery.

The Long-Range Financial Plan sets the framework for the annual budget process and includes a five-year operating and capital plan and a forecasted 20-year planning horizon consistent with the Long-Range Service Plan. As part of the annual budget process and in collaboration with the management team, decisions are evaluated to determine the long-term impact on the 20 year financial plan. These decisions include impact of new or existing capital projects and the impact of any funding requirements, impact of new services or changes in service levels, changes in economic environment, increase in costs, and/or impacts to revenues. The Long Range Financial Plan incorporates the projected sources of revenues including fare box revenues, grants, and sales tax and expenditures.

Not only has DCTA experienced tremendous growth in ridership over the last three years, DCTA has experienced significant growth in its net assets over the last three years. DCTA activities resulted in an increase in net assets of \$272 million since the 2008 fiscal year. The increase in net assets has been primarily the result of the A-train

## Services and Activities

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capital project and the related reimbursement of \$250 million in expenditures from Regional Toll Road Funding Initiative (RTRFI).

DCTA promotes financial transparency and accountability by publishing the complete budget and comprehensive annual financial report for the last six years on the DCTA website. This provides a detailed financial picture as well as the organization goals and objectives and specific activities that will be undertaken to accomplish those goals. Each budget meeting is open to the public and a public hearing is held prior to budget adoption. DCTA has received the Distinguished Budget Award and the Certificate for Excellence in Financial Reporting from the Government Financial Officers of America (GFOA) as well as the Texas State Comptroller's Leadership Circle Silver Award. The Leadership Circle award recognizes governmental entities across Texas that are striving to meet a high standard for financial transparency online

DCTA continues to pursue grant opportunities at the state and federal level. Since 2009, DCTA has received \$253,000,000 in state and local grants and \$25,000,000 in federal grants. DCTA works closely with partnering agencies to improve grant reporting and administration and expedite project delivery.

### **ENVIRONMENTAL SUSTAINABILITY**

As part of an ozone non-attainment area and as a transit provider, DCTA is committed to smarter environmental practices that reduce emissions, lead to smarter land-use and provide a cleaner environment for Denton County residents. DCTA's efforts have been recognized by the North Central Texas Council of Government (NCTCOG) and the North Texas Clean Air Coalition.

DCTA partners with the NCTCOG to encourage residents to improve air quality by utilizing alternate forms of transportation. To leverage marketing dollars and increase regional impact, DCTA partners with DART and The T to provide a consistent message during ozone season encouraging the use of alternative transportation.

In addition to transit services, DCTA promotes ridesharing and use of other transportation alternatives. In July of 2011, DCTA began its first Commuter Vanpool with six riders sharing the commute. Commuter Vanpools are available for those living or working in Denton County and the Authority continues to promote this initiative. As part of the A-train project, DCTA constructed an 8-mile bicycle/pedestrian trail which connects residential properties and business to the A-train and the bus network. This system also connects with the larger Denton trail system and helped spur the development and adoption of a Master Bike Plan by the City of Denton. DCTA is in the design phase of a second trail that will connect the three A-train stations in Lewisville with a four mile bike trail. This trail will also integrate with bike facilities being planned by the Texas Department of Transportation and the cities of Highland Village and Lewisville.

While transit is inherently a "green" industry, DCTA strives to implement sustainable operational practices whenever practical. The majority of DCTA's fleet of 70 buses utilizes a B-20 biodiesel blend. Biodiesel used by DCTA is made from renewable resources and has lower emissions compared to 100% petroleum diesel. DCTA's new rail vehicles will also provide greater fuel efficiency and emissions reduction. DCTA has also partnered with NCTCOG on the implementation of a Clean Fleet and Idling Reduction Program, which outlines DCTA's

## Services and Activities

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commitment to purchasing only newly manufactured vehicles and decreasing the vehicle idling to the minimum necessary to operate service.

### **WORKFORCE DEVELOPMENT**

Continuous quality education and training is a major factor for individual advancement and corporate success. DCTA offers development opportunities throughout all levels of the organization to provide a well-trained workforce dedicated to meeting the current and future needs of the community.

DCTA encourages and funds participation in industry training, conferences, professional organizations and career advancement opportunities. When the Authority is not able to pay for the training or education course, the Authority provides flexible work hours for the employee. DCTA bus operations staff members are given class instruction quarterly on driving techniques and defensive driving. In addition, each bus and rail operator has a weekly “ride-along” review by management.

DCTA focuses on career advancement for its current employees and workforce development for future public sector employees. 50% of the executive management team were promoted from within the organization. The majority of supervisors and administrative staff for DCTA Operations began as bus and rail operators. DCTA also teams with local graduate programs by providing paid internships for students interested in transportation, planning and public administration.

### **ATTENDANCE AND EMPLOYEE COSTS**

DCTA recognizes that one key to maintaining a high-level of satisfaction with external customers is by addressing the needs of internal customers, the employees. Employee satisfaction also has a direct correlation to employee costs and efficiencies.

DCTA has been in aggressive service implementation mode since inception. That intensity has not slowed down with the launch of the A-train. Recognizing that this intensity was creating a stressful work environment, DCTA management initiated the Unity Effort. The effort was based on nine goals for success which were developed by the staff. The staff then identified challenges and opportunities within the organization where these goals could be applied and an Action Plan was developed. While many of the challenges have been addressed, staff continues the Unity Effort through quarterly strategy sessions with the executive management team. To promote the Unity Effort and communicate the agency’s culture, DCTA’s full staff hosts an “on-boarding” to welcome each new member of the team.

All bus operations staff members meet with the General Manager monthly to review schedules and receive instructions in customer relations techniques and latest transit operational training aids. Staff is also encouraged to seek additional education opportunities and to interface with operators daily. Employees are made aware of attendance rules regularly and a “point” system is in place, to measure attendance records.

Recently, DCTA conducted a market study and established a pay-scale system for employees designed to remain competitive in the marketplace. By August 2011, DCTA achieved its goal by maintaining a 98% compa-ratio. The Authority continues to make efforts to bring all full-time positions to mid-range status to aid in employee

## Services and Activities

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retention. Additionally, DCTA executive team and human resource staff have implemented a compensation and performance review program that motivates employees, controls compensation costs, sets standards for merit increases and ensures fairness and equity.

### **MINORITY AND WOMEN ADVANCEMENT**

DCTA is committed to promoting diversity internally and externally by developing policies and programs that support diversity and promote inclusiveness.

DCTA's executive management team is 50% female and 25% Hispanic. Additionally, administrative staff is comprised of about 18% minority and 82% female. DCTA works with the local community, social service agencies and workforce commissions to recruit minorities, women and veterans. DCTA also participates in job fairs and international student fairs at the local universities to provide information on job opportunities and internships.

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

DCTA has established a Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program to encourage the use of small and disadvantaged business in contracting opportunities. As evidence of DCTA's intent to ensure that firms have opportunities to participate in local and federally funded contracts, DCTA is committed to working with contractors to remove barriers and create a level playing field on which DBE/SBE's can participate. DCTA works with contractors to identify DBE/SBE's available in the local area to perform as subcontractors and encourages the use of small firms in performance of the contracts. DCTA monitors and evaluates the performance of each contractors DBE participation and program. DCTA works diligently to satisfy all diversity requirements associated with all federal grants or funding. DCTA also encourages DBE/SBE participation on locally funded projects. The \$193,000,000 A-train construction project exceeded the agency diversity goal which resulted in nearly \$40,000,000 being awarded to disadvantaged businesses.

### **MARKETING**

Transit is still new to most Denton County residents. Marketing has been important to attract and retain riders and demonstrate the benefits of investing in a transit system. Transit ridership has increased 85% since DCTA began operating the services. Ridership continues to grow year-over-year. DCTA's efforts have been recognized with regional ADDY awards, Southwest Transit Association Spotlight Awards and APTA AdWheel Awards.

In 2009, DCTA created the "Go Guide," a comprehensive tool illustrating the Authority's full system. Initially, DCTA had separate "Rider's Guides," a combination of a system map and schedules for each fixed route service. This strategy worked initially because the service areas weren't connected. However in 2009, DCTA began offering bus connectivity between service areas and between service types. The agency was launching a regional rail system that would provide even greater connectivity. The "GO Guide" now provides one source for passengers to easily navigate DCTA's entire transit network.

## Services and Activities

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To leverage DCTA's limited marketing budget, DCTA teams with regional partners and local stakeholders. DCTA has partnered with DART and The T on an ozone awareness campaign, Dump the Pump, and a regional rail safety campaign. DCTA has teamed with the Denton Convention and Visitor's Bureau and the Lewisville Visitor's Center on initiatives to promote the A-train. These local partnerships have yielded some of the highest weekend A-train ridership to date. 75% of DCTA's ridership is affiliated with the three area higher-education institutions. DCTA works closely with those institutions to promote local and commuter services and the University Pass Program. DCTA regularly participates and sponsors initiatives such as Job Fairs, Earth Day, Sustainability Fairs and Commuter Lunches on the campuses.

The A-train has been the central element to the Authority's Service Plan since DCTA's inception. The launch of the A-train was a highly anticipated event by the local communities. DCTA designed a marketing strategy that centered on the different opportunities the A-train would bring to the region while also highlighting the unique aspects of the communities served by DCTA. One aspect is the musical heritages of Denton and Lewisville. DCTA's hosted a "Rock N' Rail" with free rides and vendors and bands set up at each station. DCTA carried over 8,000 passengers during the Rock N' Rail event, had over 200 volunteers, raised \$75,000 in sponsorship revenue, benefited from \$100,000 in earned media value and carried 14,000 passengers the opening week of the system.

To increase visibility, awareness and to further engage passengers and community members, DCTA has included social media initiatives into the agency's media plan. Actively posting on Facebook, Twitter and LinkedIn have increased the number of impressions the agency receives on a daily basis and with no financial impact to the agency's budget. DCTA has also initiated social media only marketing tactics. The first time this tactic was used ridership was four times higher than that on a typical Saturday.

### **POLICY AND ADMINISTRATION**

DCTA's policies and administration, led by its Board of Directors and the President, have created a safe, efficient and financially stable transit operation. DCTA staff work under the direction of the President and executive management team representing operations, finance and administration, and capital planning and service development. Transit services are provided through contracts with First Transit and Herzog Transit Services.

DCTA has adopted a set of policies to demonstrate accountability to the public and to guide investments and service planning. DCTA's Financial Policies safeguard the fiscal stability and resiliency required to achieve the DCTA's goals and objectives. The policies established a fund balance reserve for unanticipated emergencies; a sales tax stabilization fund; and a capital/infrastructure maintenance program. The policy also outlines the process for evaluating revenue forecasts and contracts for service. Other processes included are accounting and financial reporting, budget development, purchasing, cost allocation, debt management and investments.

In 2010, DCTA adopted its first comprehensive cash flow model which is now the core of the Authority's Financial Management Plan. The model incorporates assumptions for revenues (both operating and non-operating), costs, population growth, inflation, capital needs. It incorporates calculations for board adopted policy targets which include debt coverage ratios and reserve requirements. The model is a decision-making tool for board and staff

## Services and Activities

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during the annual budget process by evaluating long-term impacts of budget decisions on relevant adopted financial policies.

With the launch of the A-train, DCTA fulfilled the service components of its initial service plan. So DCTA began a long-range planning effort in 2010 to determine DCTA's five-year operating priorities and 25-year planning priorities. In December 2011, the Board of Directors adopted the Long-Range Service Plan which outlined a series of recommendations for improvements to the existing system, opportunities for expansion of the existing system, and other corridors warranting transit service within the next 25-years. The plan will serve as a road map guiding DCTA's service planning, capital improvement program and financial planning through 2035.

### **COMMUNITY RELATIONS**

DCTA understands the importance of developing and maintaining strong relationships with communities. To help promote positive relationships, DCTA has developed and participated in various efforts to improve the quality of life for Denton County residents and the North Texas Region. In the last three years, DCTA's organizational efforts to advance mobility and improve the quality of life for its communities were recognized by the North Texas Commission Transportation Excellence Award, the Lewisville Area Chamber of Commerce, and the Denton Economic Partnership.

DCTA has formed Citizen's Advisory Teams (CAT) comprised of DCTA passengers, transit advocates and community liaisons. Participants meet quarterly to discuss transit needs within the community, current agency initiatives and upcoming special events.

DCTA participates in local community events and often hosts special events for the community. Over the last three years, DCTA has participated in over 300 community events, hosted 50 events and community meetings, and reached over 300,000 individuals. DCTA also supports community initiatives and social programs through toy and food drives.

Throughout A-train construction, DCTA hosted public meetings and special events to keep the community informed about the project's progress, potential impacts and future operating plans. These meetings and events were held at key project milestones. As the system moved closer to completion, the Authority hosted community wide events in partnership with other local organizations. Three safety events were held with 30 other organizations participating and reaching over 3,000 residents.

In 2009, DCTA developed a travel training program to educate the public on how to ride transit and to assist with transitioning eligible demand response users to fixed-route service. The program partners with schools, social service agencies, and area non-profits focusing on basic ridership information, map/timetable reading, transfers between modes, and the fare system.

A large portion of DCTA's bus ridership is transit dependent. DCTA collaborates with human services agencies on joint community initiatives to eliminate barriers and encourage transit use. DCTA participates in regular roundtable events hosted by the local human services agencies to collect feedback regarding transit service needs within the community.

## Services and Activities

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Local universities are an important part of the Denton County community. DCTA has established effective partnerships with these universities. Because of the presence of over 50,000 students, there is a high demand for frequent bus service to support student housing and access to campus. Through contractual agreements with these institutions, DCTA is able to provide this level of service. The community benefits as the routes are also available to any DCTA customer with a valid fare.

## 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.

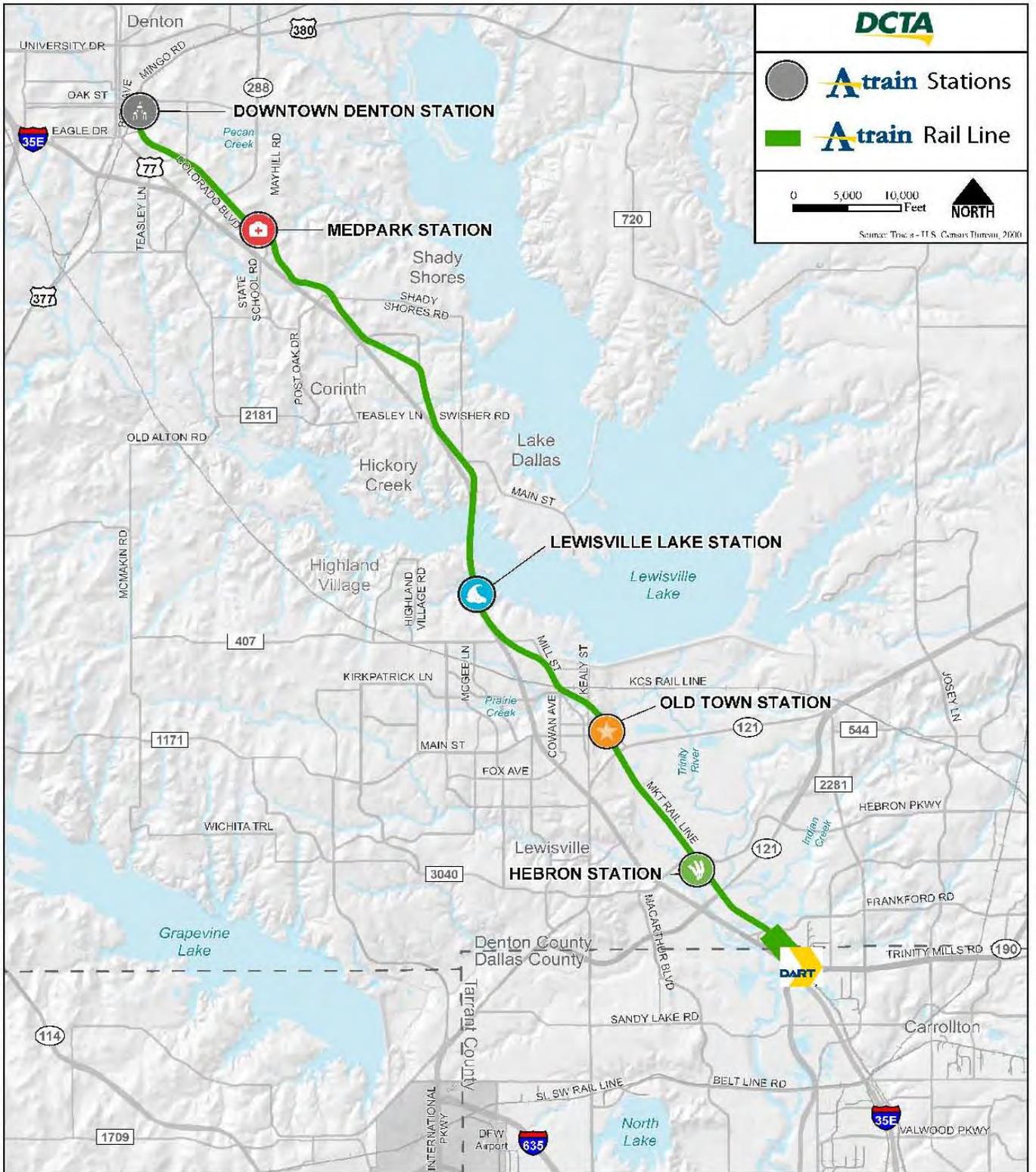
A major milestone was reached in 2011 with the completion of construction and the official opening of the A-train regional rail project. The agency carried 8,300 passengers on its first day of service. The A-train runs along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate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

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.

The next major milestone the Agency will be addressing is the implementation of federally mandated Positive Train Control by 2015. This project and related funding is incorporated in the 5-year capital plan.



# Service Area Map – A-train



## BUS OPERATIONS

### 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 continue to set ridership records.

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 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 2012, almost 2 million passengers chose transit over fighting for parking places and campus congestion. Passengers can transfer from the UNT Shuttle routes to Connect, the NCTC Shuttle and the A-train.



## Services and Activities

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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:**

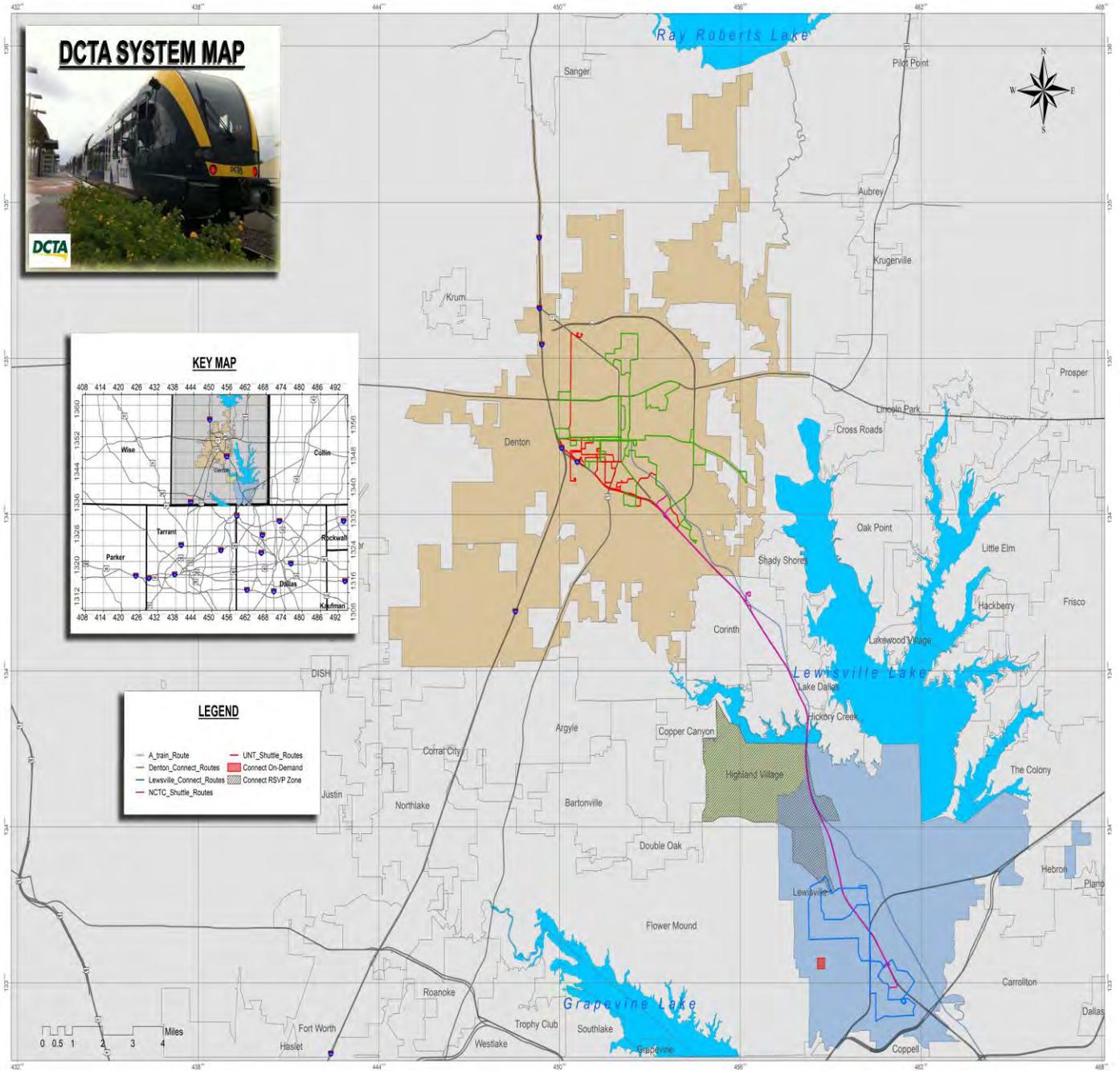
The DCTA Access service offers curbside ADA Paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access services 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 an additional DCTA service which provides 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.



# Service Area Map – Bus Transit Services

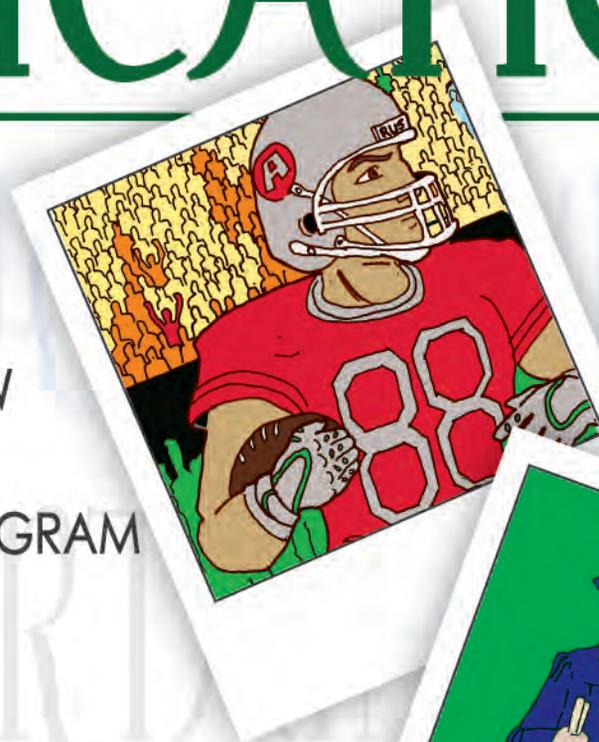


41 & 7 STUDENTS PER REVENUE HOUR UTILIZED  
SERVICE TO UNT & NCTC CAMPUSES

CONSIDER THE IMPACT;

# EDUCATION

10,000  
INDIVIDUALS SAW  
"RAIL READY"  
RAIL SAFETY PROGRAM



"CONSIDER THE IMPACT"

REGIONAL SAFETY CAMPAIGN COORDINATED  
WITH LOCAL LAW ENFORCEMENT AND FRA

### **BASIS OF BUDGETING**

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

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

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

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

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

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

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

## **BUDGET PREPARATION**

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

1. **Goals, Objectives and Performance Measures**  
Development of overall agency goals and corresponding department objectives and performance measures for the upcoming fiscal year.
2. **Cash Flow Model Adoption**  
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 2012 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:

- Increased system-wide ridership by a record 20% due to the introduction of the A-train and positive improvements to bus services
- Increased the number of DCTA vanpools to 5
- Trained 450 first responders on the operation and configuration of the Stadler GTW vehicles
- Bus operations averages 96% On Time Performance (OTP)
- Completed construction and move-in of the Rail Operations & Maintenance Facility
- Adopted the long range service plan
- Positive Train Control (PTC) preliminary design/engineering contract awarded to LTK
- Adoption of the Financial Policies
- Implementation and conversion to an integrated financial software solution (SunGard One Solution)
- Completion of the FY11 Audit with an unqualified opinion and no material findings
- Completed conversion to TCDRS retirement plan and addition of ICMA as voluntary plan
- Received TX State Comptroller Leadership Circle – Silver Award
- Received the Government Finance Officers Association Distinguished Budget Award for the FY12 Budget which garners local and regional awareness for DCTA
- Established Sales Tax Stabilization Reserve Fund
- Established timeline and targets Capital Asset Replacement Reserve Fund and Fuel Stabilization Reserve Fund
- Successfully closed out the A-train construction contract resulting in a final completion under the established budget.
- Awarded \$8.2 million from FTA for State of Good Repair grant for construction of bus operations and maintenance facility
- Began mid-day rail service in August 2012

## Change in Net Assets – Budget Basis

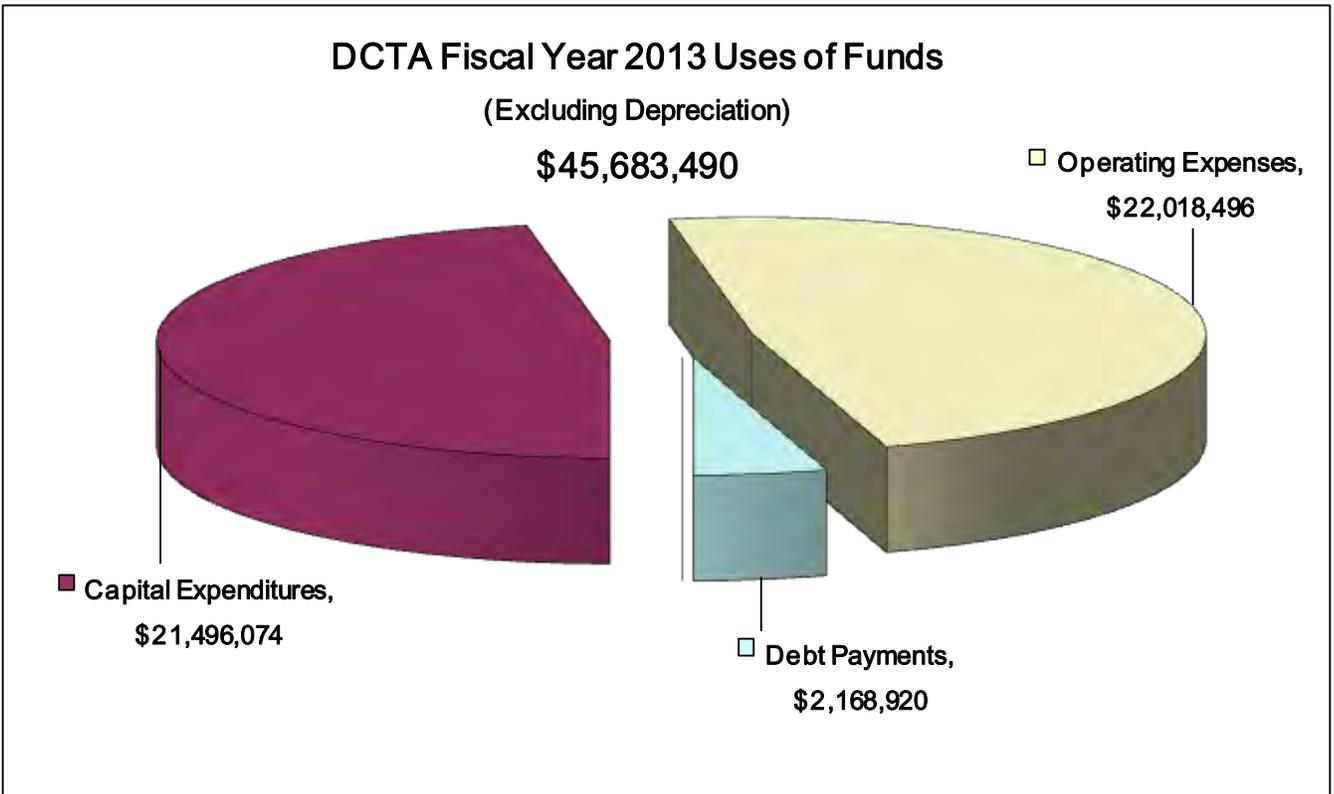
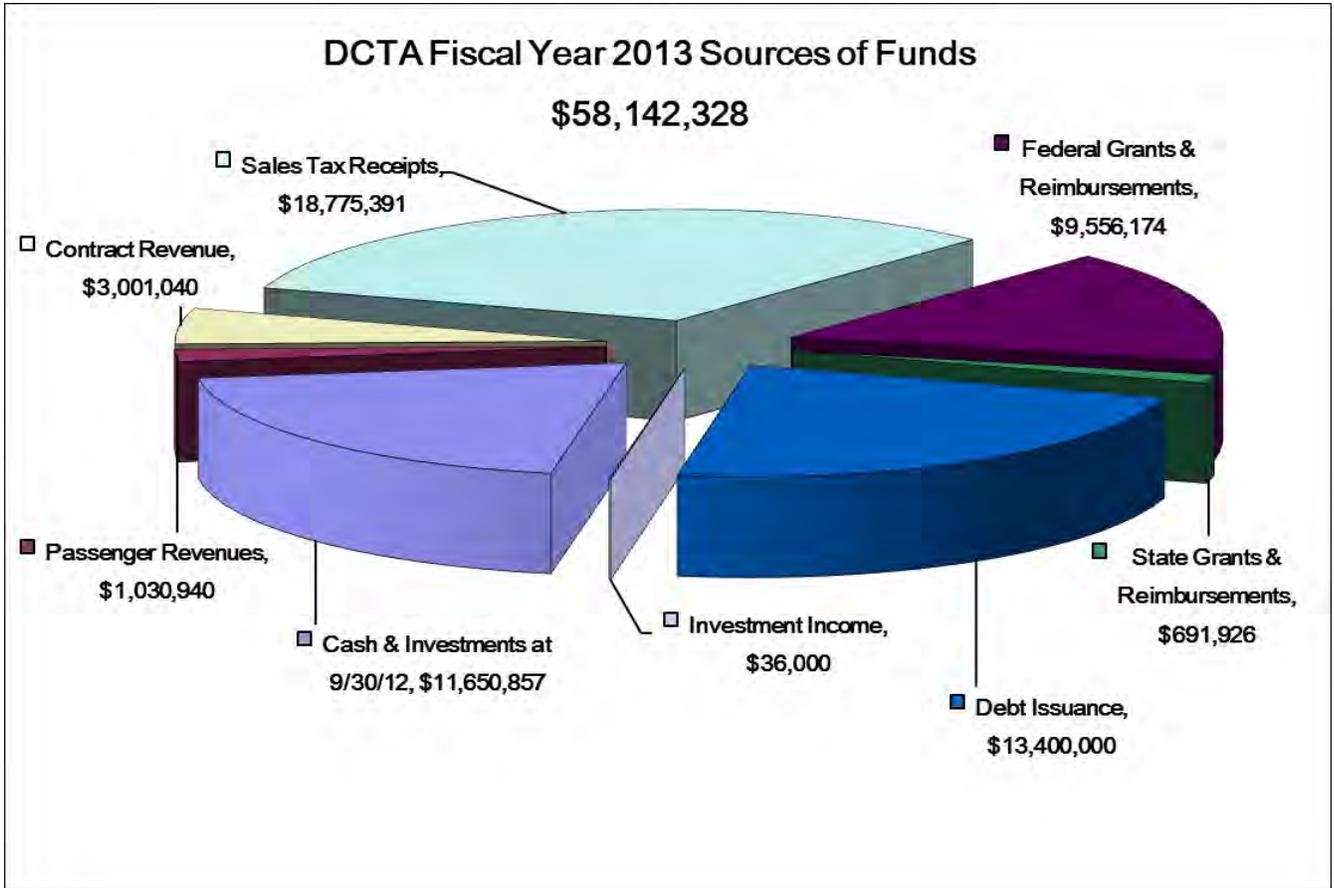
	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>Operating Revenues</b>				
Passenger Fares	\$ 666,496	\$ 1,566,317	\$ 873,272	\$ 1,030,940
Contract Service Revenue	2,560,035	3,013,356	3,013,356	3,001,040
Other Revenues		-	-	-
<b>Total Operating Revenues</b>	<b>\$ 3,226,532</b>	<b>\$ 4,579,673</b>	<b>\$ 3,886,628</b>	<b>\$ 4,031,980</b>
<b>Operating Expenses</b>				
Salaries, Wages & Fringe Benefits	\$ 5,752,341	\$ 6,788,698	\$ 6,677,179	\$ 7,211,225
Services	1,688,877	1,389,646	1,682,609	1,388,452
Materials & Supplies	2,306,780	3,436,999	3,369,999	3,494,340
Utilities	175,154	307,413	422,915	372,740
Insurance, Casualties & Losses	297,994	471,740	471,740	544,732
Purchased Transportation Services	5,537,662	7,544,845	7,597,897	8,430,186
Miscellaneous	148,970	167,626	139,523	155,491
Leases & Rentals	596,237	1,036,930	1,048,980	421,330
Depreciation	3,141,331	4,632,371	6,682,989	9,320,443
<b>Total Operating Expenses</b>	<b>\$ 19,645,344</b>	<b>\$ 25,776,268</b>	<b>\$ 28,093,831</b>	<b>\$ 31,338,939</b>
Operating Income / (Loss)	\$ (16,418,813)	\$ (21,196,595)	\$ (24,207,203)	\$ (27,306,959)
<b>Non-Operating Revenues / (Expenses)</b>				
Sales Tax Revenue	\$ 17,135,359	\$ 16,909,740	\$ 17,579,537	\$ 18,775,391
Net Investment Income / (Expenses)	110,472	48,000	48,000	36,000
Long-Term Debt Interest / (Expense)	(208,430)	(1,283,919)	(1,484,380)	(2,168,920)
Non-Operating Revenues / (Expenses)	(496)	62,000	62,000	-
Federal Grants & Reimbursements	5,376,471	4,346,347	5,720,140	9,556,174
State Grants & Reimbursements	77,973,713	5,665,471	6,877,112	691,926
Debt Issuance	14,390,000	-	-	13,400,000
<b>Total Non-Operating Revenue</b>	<b>\$ 114,777,088</b>	<b>\$ 25,747,639</b>	<b>\$ 28,802,409</b>	<b>\$ 40,290,571</b>
<b>Increase in Net Assets</b>	<b>\$ 98,358,275</b>	<b>\$ 4,551,044</b>	<b>\$ 4,595,206</b>	<b>\$ 12,983,612</b>
<b>Net Assets - Beginning of Year:</b>	<b>\$ 231,794,974</b>	<b>\$ 214,940,567</b>	<b>\$ 214,940,567</b>	<b>\$ 182,963,512</b>
<b>Net Assets - End of Year:</b>	<b>\$ 330,153,249</b>	<b>\$ 219,491,611</b>	<b>\$ 219,535,773</b>	<b>\$ 195,947,124</b>
<i>Transfer to Capital Projects</i>	<i>\$ 115,212,682</i>	<i>\$ 34,831,789</i>	<i>\$ 36,572,261</i>	<i>\$ 21,496,074</i>
<b>Net Assets After Capital Project Transfer</b>	<b>\$ 214,940,567</b>	<b>\$ 184,659,822</b>	<b>\$ 182,963,512</b>	<b>\$ 174,451,050</b>

## Statement of Cash Flows

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<b>Estimated Beginning Cash Balance</b>	38,713,222	11,650,857
<b>Operating Activities</b>		
Operating Revenue	\$ 3,900,642	\$ 4,031,980
Sales Tax Revenue	17,913,422	18,775,391
G&A Operating Expenses*	(3,038,297)	(3,075,789)
Rail Operating Expenses*	(10,547,785)	(11,009,010)
Contract Bus (TMDC) Operating Expenses*	(7,824,760)	(7,933,698)
<b>Total Operating Activities</b>	<u>\$ 403,222</u>	<u>\$ 788,874</u>
<b>Investing Activities</b>		
G&A Capital Expenditure	\$ -	\$ -
Rail Capital Expenditure	(32,523,264)	(12,391,610)
Bus Capital Expenditure	(859,089)	(9,104,464)
Non-Operating (Expense)/Income	62,000	-
Investment Income	726,182	36,000
Federal / State Grants & Reimbursements	6,412,503	10,248,100
<b>Total Investing Activities</b>	<u>\$ (26,181,668)</u>	<u>\$ (11,211,974)</u>
<b>Financing Activities</b>		
Debt Issuance	\$ -	\$ 13,400,000
Debt Payment	(1,283,919)	(2,168,919)
<b>Total Financing Activities</b>	<u>\$ (1,283,919)</u>	<u>\$ 11,231,081</u>
<b>Net Increase (Decrease) in Cash</b>	<u>\$ (27,062,365)</u>	<u>\$ 807,981</u>
<b>Estimated Ending Cash Balance</b>	<u>\$ 11,650,857</u>	<u>\$ 12,458,838</u>

\* Operating expenses net of depreciation expense



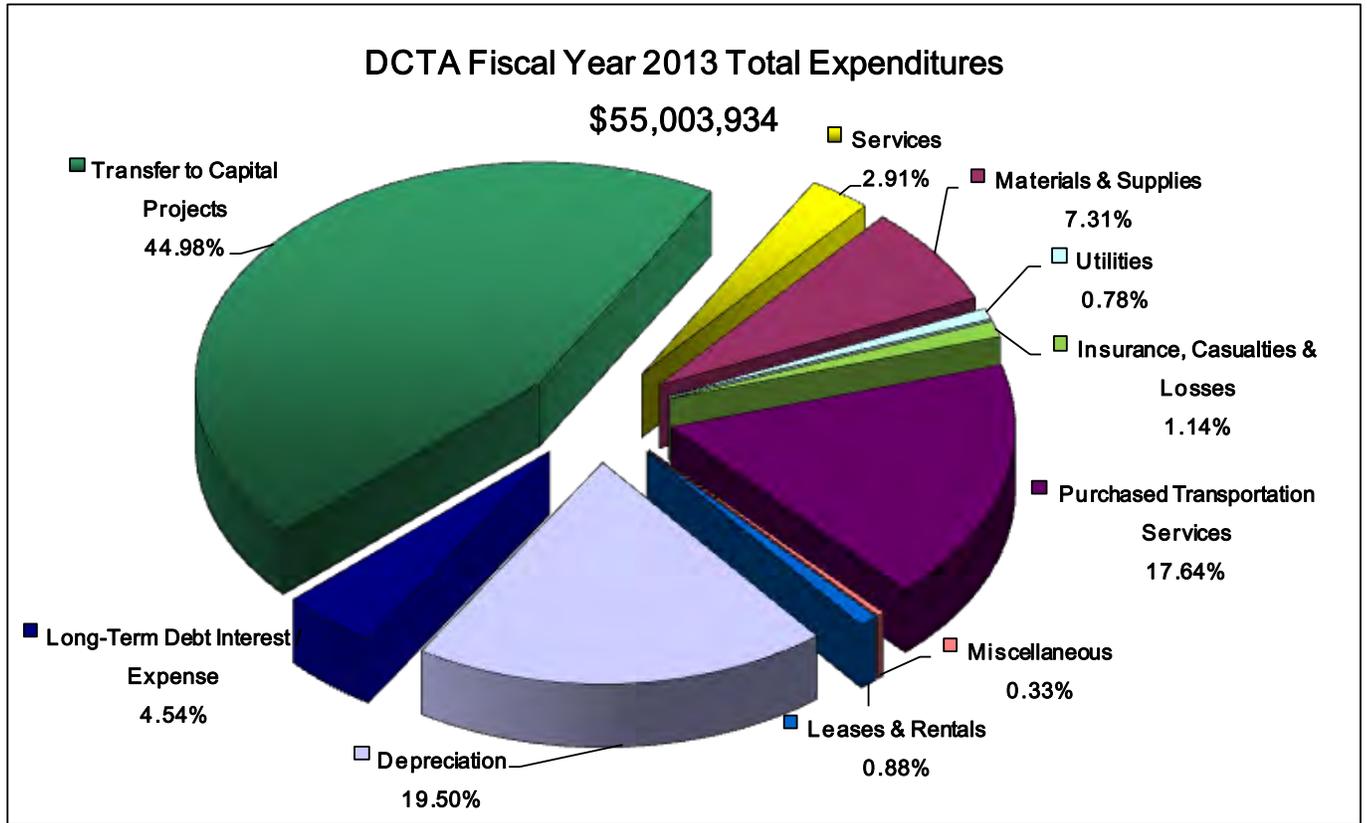
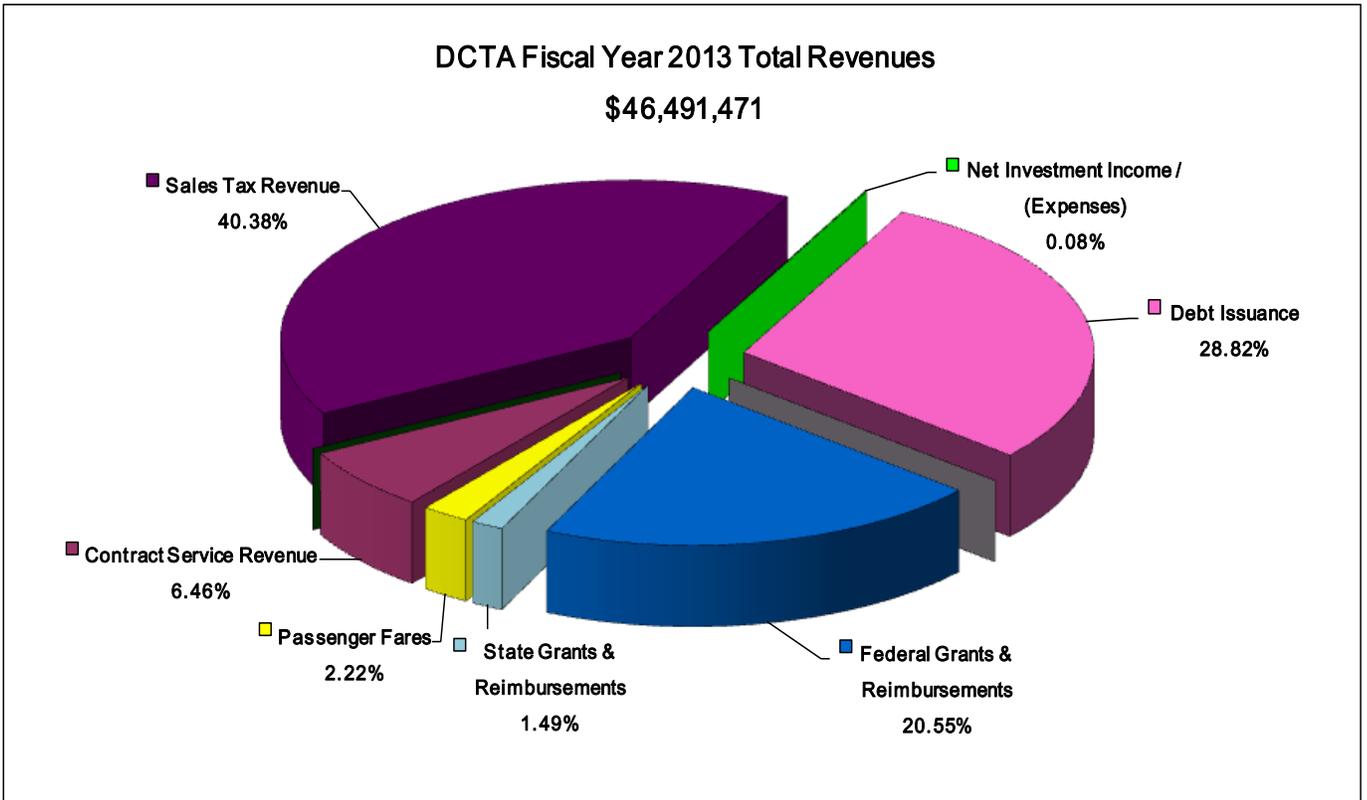
## Operating Budget by Classification

### SUMMARY (millions)

	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget	% CHANGE FY 13 to FY 12 Rev Budget
<b>TOTAL REVENUES</b>	\$ 118.4	\$ 31.6	\$ 34.2	\$ 46.5	36.1%
<b>TOTAL EXPENSES</b>	135.3	61.9	66.2	55.0	-16.9%
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (16.9)	\$ (30.3)	\$ (32.0)	\$ (8.5)	-73.4%

### DETAIL

	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget	\$ CHANGE FY 13 to FY 12 Rev Budget
<b>REVENUES</b>					
Passenger Fares	\$ 666,496	\$ 1,566,317	\$ 873,272	\$ 1,030,940	\$ 157,668
Contract Service Revenue	2,560,035	3,013,356	3,013,356	3,001,040	-12,316
Other Revenues	-	-	-	-	-
<b>Subtotal Operating Revenue</b>	<b>3,226,531</b>	<b>4,579,674</b>	<b>3,886,629</b>	<b>4,031,980</b>	<b>145,351</b>
Sales Tax Revenue	17,135,359	16,909,740	17,579,537	18,775,391	1,195,854
Net Investment Income / (Expenses)	110,472	48,691	48,000	36,000	(12,000)
Debt Issuance	14,390,000	-	-	13,400,000	13,400,000
Non-Operating Revenues	183,598	62,000	62,000	-	(62,000)
Federal Grants & Reimbursements	5,376,471	4,346,347	5,720,140	9,556,174	3,836,034
State Grants & Reimbursements	77,973,713	5,664,780	6,877,112	691,926	(6,185,186)
<b>Subtotal Non-Operating Income</b>	<b>115,169,613</b>	<b>27,031,558</b>	<b>30,286,790</b>	<b>42,459,491</b>	<b>12,172,701</b>
<b>TOTAL REVENUES</b>	<b>\$118,396,144</b>	<b>\$ 31,611,231</b>	<b>\$ 34,173,418</b>	<b>\$ 46,491,471</b>	<b>\$ 12,318,053</b>
<b>EXPENSES</b>					
Salaries, Wages & Fringe Benefits	\$ 5,752,341	\$ 6,788,698	\$ 6,677,179	\$ 7,211,225	534,046
Services	1,688,877	1,389,646	1,682,609	1,388,452	(294,157)
Materials & Supplies	2,306,780	3,436,999	3,369,999	3,494,340	124,341
Utilities	175,154	307,413	422,915	372,740	(50,175)
Insurance, Casualties & Losses	297,994	471,740	471,740	544,732	72,992
Purchased Transportation Services	5,537,662	7,544,845	7,597,897	8,430,186	832,289
Miscellaneous	148,970	167,626	139,523	155,491	15,968
Leases & Rentals	596,237	1,036,930	1,048,980	421,330	(627,650)
Depreciation	3,141,331	4,632,371	6,682,989	9,320,443	2,637,454
<b>Subtotal Operating Expenses</b>	<b>19,645,346</b>	<b>25,776,269</b>	<b>28,093,832</b>	<b>31,338,940</b>	<b>3,245,108</b>
Long-Term Debt Interest / Expense	208,430	1,283,919	1,484,380	2,168,920	684,540
Non-Operating Expenses	184,095	-	-	-	-
<b>Subtotal Non-Operating Expenses</b>	<b>392,525</b>	<b>1,283,919</b>	<b>1,484,380</b>	<b>2,168,920</b>	<b>684,540</b>
<b>TOTAL EXPENSES</b>	<b>\$ 20,037,871</b>	<b>\$ 27,060,188</b>	<b>\$ 29,578,212</b>	<b>\$ 33,507,860</b>	<b>\$ 3,929,648</b>
<i>Transfer to Capital Projects</i>	<i>115,212,682</i>	<i>34,831,789</i>	<i>36,572,261</i>	<i>21,496,074</i>	<i>(15,076,187)</i>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (16,854,408)</b>	<b>\$(30,280,746)</b>	<b>\$ (31,977,055)</b>	<b>\$ (8,512,463)</b>	<b>\$ 23,464,592</b>



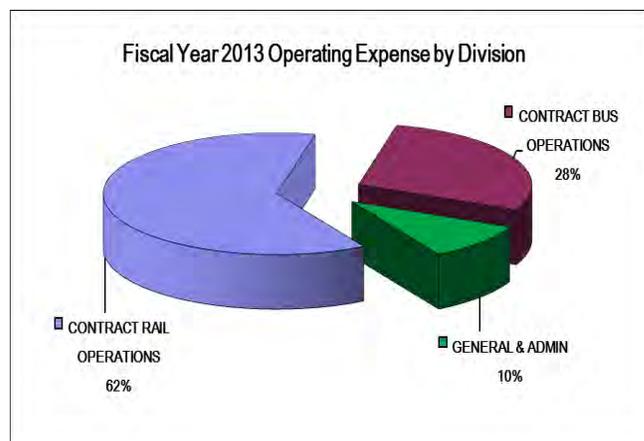
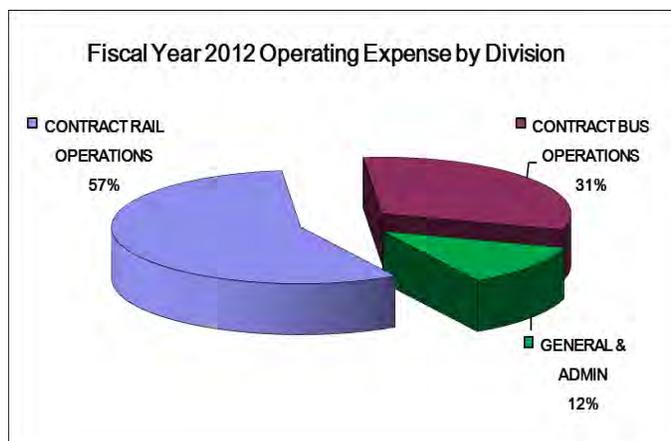
## Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>GENERAL AND ADMINISTRATIVE</b>				
President	\$ 3,225,204	\$ 1,063,447	\$ 1,318,283	\$ 1,078,132
Vice President of Finance / CFO	614,463	752,899	749,099	869,156
Board of Directors	14,330	24,548	24,548	28,856
Communications and Marketing	623,773	484,420	518,420	547,054
Transit Operations	575,332	629,763	554,008	283,825
Planning	88,665	30,000	76,071	161,609
Human Resources	125,478	142,976	142,976	107,157
<b>TOTAL GENERAL &amp; ADMIN</b>	<b>\$ 5,267,245</b>	<b>\$ 3,128,053</b>	<b>\$ 3,383,405</b>	<b>\$ 3,075,789</b>

<b>RAIL SERVICES (THIRD PARTY CONTRACT)</b>				
Rail Services	\$ 6,509,380	\$ 13,386,815	\$ 15,940,466	\$ 19,390,310
<b>TOTAL RAIL SERVICES</b>	<b>\$ 6,509,380</b>	<b>\$ 13,386,815</b>	<b>\$ 15,940,466</b>	<b>\$ 19,390,310</b>

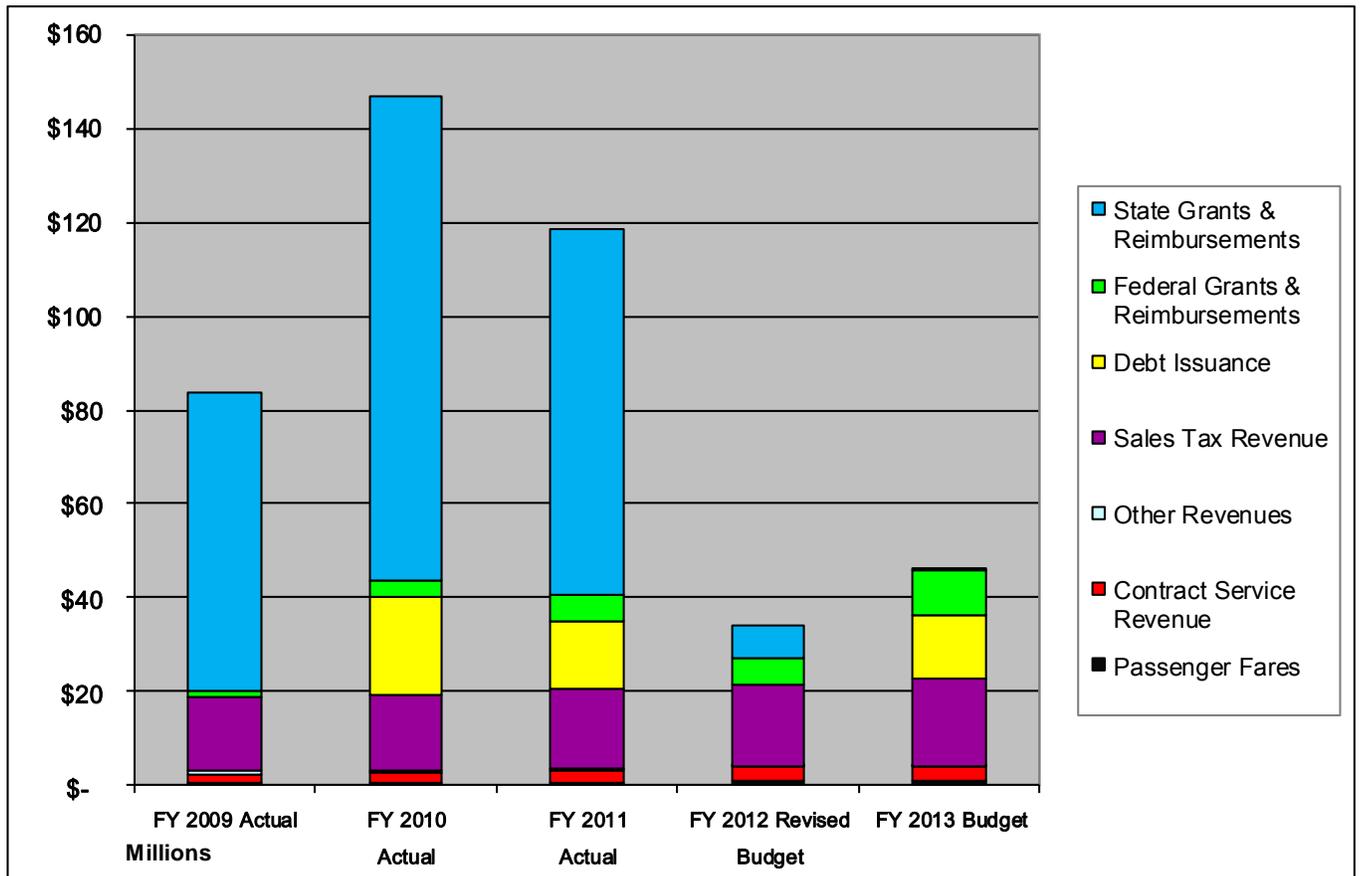
<b>BUS SERVICES (THIRD PARTY CONTRACT)</b>				
Administration	\$ 1,592,989	\$ 958,604	\$ 1,552,563	\$ 1,568,779
Connect Service	1,120,945	1,959,043	1,922,146	2,151,097
UNT Service	1,232,915	1,413,273	1,963,807	2,038,663
Access Service	751,056	665,294	758,507	744,625
Commuter Express Service	201,044	333,363	182,586	-
Maintenance	2,346,861	2,894,693	1,287,590	1,206,421
Supervisors & Dispatch	566,765	575,155	600,355	623,567
NCTC Service	33,107	56,280	96,712	103,535
Customer Service (DDTC)	23,039	405,695	405,695	436,153
<b>TOTAL BUS SERVICES</b>	<b>\$ 7,868,720</b>	<b>\$ 9,261,401</b>	<b>\$ 8,769,961</b>	<b>\$ 8,872,841</b>

<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 19,645,344</b>	<b>\$ 25,776,269</b>	<b>\$ 28,093,832</b>	<b>\$ 31,338,940</b>
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## Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Revised Budget	FY 2013 Budget
Passenger Fares	\$ 415,583	\$ 474,937	\$ 666,496	\$ 873,272	\$ 1,030,940
Contract Service Revenue	2,151,402	2,433,909	2,560,035	3,013,356	3,001,040
Other Revenues	34,650	658	-	-	-
Sales Tax Revenue	15,666,457	16,188,072	17,135,359	17,579,537	18,775,391
Net Investment Income	335,979	102,615	110,472	48,000	36,000
Debt Issuance	-	20,890,000	14,390,000	-	13,400,000
Non-Operating Revenues	117,137	287,359	183,598	62,000	-
Federal Grants & Reimbursements	1,251,282	3,432,289	5,376,471	5,720,140	9,556,174
State Grants & Reimbursements	63,543,494	102,970,259	77,973,713	6,877,112	691,926
<b>TOTAL REVENUES</b>	<b>\$83,515,984</b>	<b>\$ 146,780,098</b>	<b>\$118,396,143</b>	<b>\$ 34,173,418</b>	<b>\$ 46,491,471</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 Finance Department is responsible for Sales Tax Revenue estimates. Revenue forecasts are largely based on trend analysis, with an emphasis on current and expected future economic conditions within the national, state, and local economy. DCTA sales tax rate is one half a percent of taxable goods and services sold within the three member cities of Denton, Highland Village, and Lewisville. Local businesses within member cities collect the tax, remit it to the State Comptroller, and then it is disbursed to the state, cities, transit authorities, and other taxing jurisdictions.

### **OPERATING REVENUE:**

#### **PASSENGER FARE REVENUE**

Passenger fare revenue consists of fare box collections and ticket sales for the DCTA bus and paratransit services as well as rail farebox revenue. Total fare revenue is projected at \$158k or 18% increase over the FY 2012 revised budget. This increase is due to the addition of mid-day rail service as well as 32 hours of additional Connect service to provide increased frequencies and serve areas currently underserved.

#### **CONTRACT SERVICE REVENUE**

Contract service revenue consists of revenue or income related to providing transit services to UNT and NCTC on a contractual basis. The 2013 budget reflects a slight decrease over the 2012 revised budget and is due to University of North Texas eliminating a route in their service area.

### **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 2013 budget year is based on the 2012 actual receipts and is a conservative estimate of a 3% increase which projects a \$1.2 million increase over the FY12 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 2013, DCTA is anticipating a conservative .30% return on investment.

## **FEDERAL GRANTS & REIMBURSEMENTS**

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2013, DCTA anticipates \$2.7 million in operating grants. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, ozone reduction education program, vanpool program, and travel training. DCTA anticipates \$6.9 million in capital grants, which reflects a significant increase of \$4.2 million over the FY 2012 revised budget. This increase is mainly attributable to the State of Good Repair Grant that DCTA was awarded in FY12 to be used to fund the Bus Operations and Maintenance Facility. The agency was awarded a total of \$8.2 million in 2012, \$5.5 million which is budgeted to be drawn down in FY 2013 and the remaining balance in FY 2014. In FY13, DCTA will also use the remaining ARRA funds of \$1.3 million. These funds will be applied to projects related to bus support equipment and passenger information systems.

## **STATE GRANTS & REIMBURSEMENTS**

In FY12 DCTA completed the drawdowns for the Regional Toll Revenue Funding Initiative (RTRFI) with the completion of the A-train capital project. DCTA recognized RTRFI revenue when it was reimbursed for expenditures incurred. DCTA was awarded \$250 million for the A-train project, which represented 80% funding for the project. The State grant revenue anticipated in FY13 includes \$577 thousand in Texas Department of Transportation (TxDOT) STEP grants which will be used toward the Lewisville Hike and Bike Trail and Denton Community Enhancement capital projects along with \$115 thousand for the Ozone/ETR campaign that DCTA participates in annually.

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

## Budget Assumptions cont.

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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 2013 budget reflects an 8% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) Addition of 1.5 FTE administrative support staff; (3) 10% increase in health benefits 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 FY13 budget includes \$25k for this purpose. Merit pay has also been included at 3.00%, and accounts for \$32k. Another factor in the increase over the FY12 Revised Budget is the addition of 1.5 FTE administrative support staff.

This budget incorporates an increase of 10% in health care benefits based on the current plan design, which accounts for a \$111k increase compared to FY 2012 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 20-30% for some areas due to current claims history for the agency.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, has included an overall blended rate wage increase for bus operators of 5% as a result of the negotiated union contract which accounts for a portion of the increase and an annual increase of 3% has been included for the administrative staff of TMDC. The agency is also anticipating adding 32 additional service hours for Connect service which causes an increase in salary and benefits.

### **SERVICES**

Service Expense consists of DCTA contracts and purchase of services from consultants and is lower than the FY 2012 revised budget by 17.5% due to the following factors. The majority of the reduction is due to a significant reduction in legal fees as well as the completion of the Service Plan in FY12. The agency is also projecting a

## Budget Assumptions cont.

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reduction in maintenance under Bus Services due to the replacement of old buses and the elimination of the Commuter Express bus service.

### **MATERIALS AND SUPPLIES**

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2013 budget for this category is higher than 2012 revised budget by \$124 thousand (3.69%). This variance can be attributed to fuel budgeted at \$4.00 per gallon in FY 2013, which is an increase from the \$3.75 per gallon included in FY12. Fuel consumption has also increased due to the addition of mid-day rail service beginning in August 2012. The fuel increase is offset by savings in Bus Services for parts and tires related to the replacement of old buses, the elimination of the Commuter Express service and an anticipated rebate on tires.

### **UTILITIES**

This expense category includes gas, electric and communication expenses. The 2013 budget reflects a decrease of \$50 thousand compared to the FY 2012 revised budget and is based on current expenses incurred by the agency.

### **INSURANCE**

This expense category budget item reflects an increase of \$73 thousand with the addition of a full year of the Stadler vehicles and rail operations and maintenance facility insurance coverage in FY13.

### **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 10.95% is due to the following factors: (1) the addition of mid-day rail service; (2) increased "shared cost" for the agency based on the rail service contract; (3) increase of \$270 thousand for the Maintenance of Way over 25 ft based on current actuals; (4) a 3% contract increase and (5) increase of 15% for rail liability insurance.

### **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 an increase of \$16 thousand in FY 2013 and is due to the increase in marketing services to fund additional marketing and promotion efforts.

## **LEASES AND RENTALS**

Leases and rental expense includes DCTA facility leases at Denton and office leases at the Stemmons location. The 2013 budget is lower than FY 2012 revised budget by \$628 thousand due to the elimination of RDC lease payments with DART with the the Stadler vehicles in full service in late FY12.

## **DEPRECIATION**

This expense category represents the expense of using our capital assets over time. The 2013 budget is higher than the prior year due to the A-train project completion in 2012, resulting in the of depreciation of the related capital assets.

## **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 2013 budget reflects the principal and interest payments according to all loan documents. Please refer to the debt tables on pages 42-44 for additional information.

### **NON-OPERATING (REVENUES) / EXPENSES**

This category accounts for incidental expenses and/or revenues that are not generated through or directly related to the regular operating activities of DCTA. In FY 2013, DCTA is not expecting non-operating revenues or expenses.

**DEBT SCHEDULE**

<b>Sales Tax Revenue Refunding Bonds, Series 2009</b>				
<b>\$20,890,000</b>				
<b><u>Date:</u></b>	December 17, 2009			
<b><u>Interest:</u></b>	Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.			
<b><u>Purpose:</u></b>	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.			
<b><u>Security:</u></b>	The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.			
<b><u>Debt Service:</u></b>				
	<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
	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.

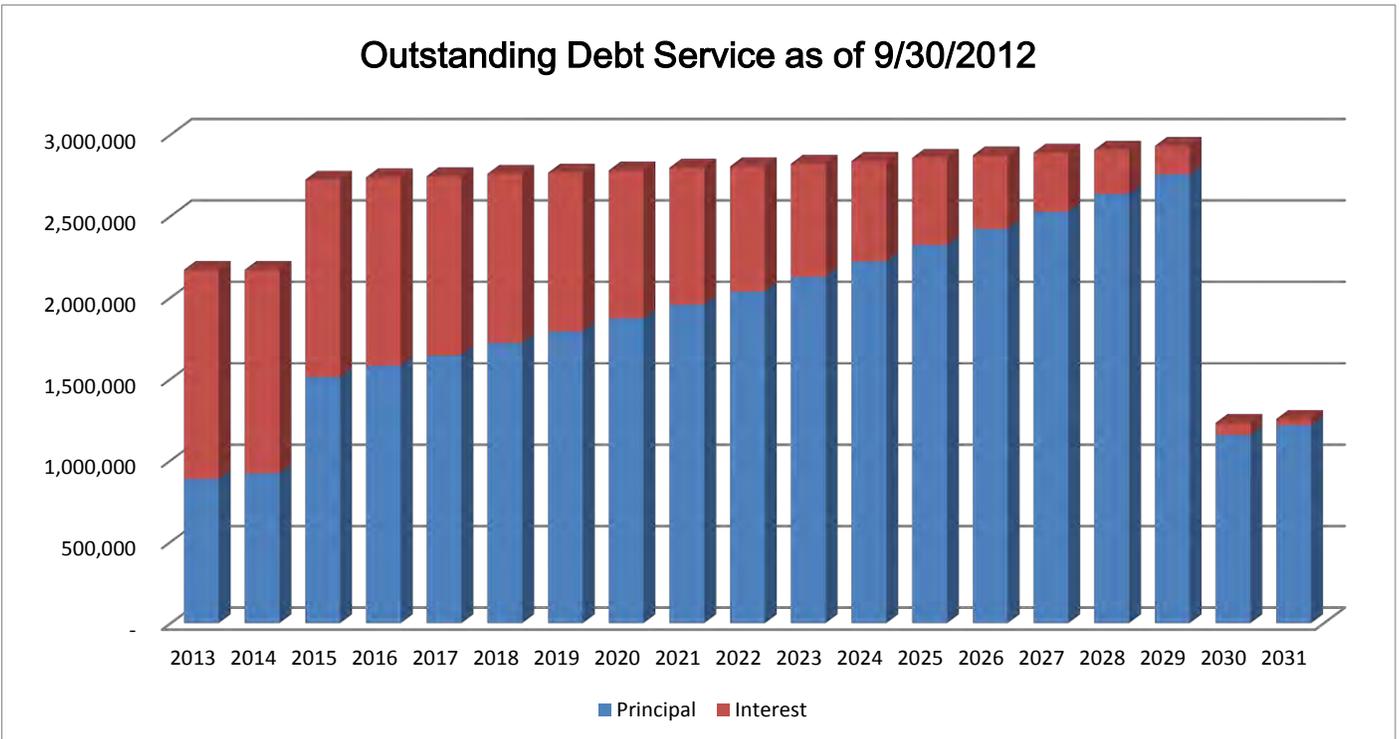
**Debt Service:**

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

**Outstanding Debt Schedule as of 9/30/2012**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>13,751,275</b>	<b>49,031,275</b>

**Outstanding Debt Service as of 9/30/2012**



## Full-Time Equivalent (FTE) Comparison

Division Summary	FY 2011	FY 2012	FY 2013	Variance
<b>General &amp; Administrative Division</b>				
President Department				
President	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	-
Receptionist	1.00	1.00	1.00	-
Admin Asst (P-T)	-	-	1.50	1.50
Intern (P-T)	-	0.50	1.00	0.50
Finance Department				
VP Finance / Chief Financial Officer	1.00	1.00	1.00	-
Accounting Manager	-	-	1.00	1.00
Senior Accountant	1.00	1.00	1.00	-
Accountant	1.00	1.00	-	(1.00)
Budget Coordinator	1.00	1.00	1.00	-
AP/AR Specialist	1.00	1.00	1.00	-
Purchasing Manager	1.00	1.00	1.00	-
Communications & Marketing Department				
VP Program Development	1.00	1.00	1.00	-
Marketing & Communications Manager	1.00	1.00	1.00	-
Management Specialist, IT & Customer Programs	1.00	1.00	1.00	-
Transit Operations Department				
VP of Transit Operations	1.00	1.00	1.00	-
Senior Transit Planner	1.00	1.00	1.00	-
Planning Department				
Project Manager - Capital Projects	1.00	1.00	1.00	-
QCQA Inspector (Grant Funded)	-	-	0.75	0.75
Human Resources Department				
Management Specialist: HR/Grants	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	-
Director of Rail Operations	1.00	1.00	1.00	-
<b>Total DCTA FTE Staff</b>	<b>19.00</b>	<b>19.50</b>	<b>21.25</b>	<b>1.75</b>
<b>Third Party Contract Operations</b>				
Contracted Rail Services (HTSI)	-	53.00	53.00	-
Contracted Bus Services (TMDC)	136.50	132.00	132.00	-
<b>Total Third Party Contract Operations</b>	<b>136.50</b>	<b>185.00</b>	<b>185.00</b>	<b>-</b>

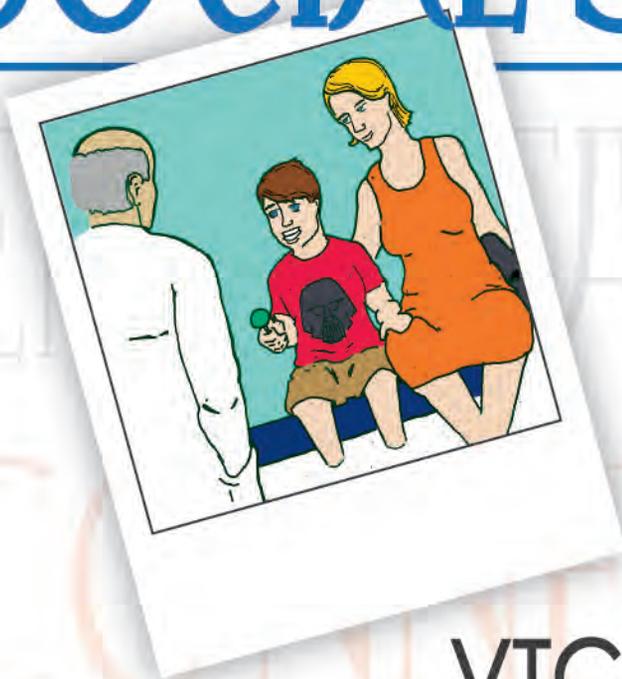
# A-TRAIN & CONNECT SERVICE TO:

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CONSIDER THE IMPACT:

# SOCIAL SERVICES



29,000  
ACCESS RIDERSHIP  
DENTON COUNTY

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PARTNER WITH DART ON VETERANS  
TRANSPORTATION AND COMMUNITY  
LIVING INITIATIVE

## 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.

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised	FY 2013 Budget
<b>PRESIDENT</b>					
Salary, Wages & Benefits	\$ 233,974	\$ 183,507	\$ 423,089	\$ 431,009	\$ 448,948
Services	599,608	554,192	361,700	636,700	371,000
Materials & Supplies	18,964	22,187	25,000	25,000	42,760
Utilities	10,299	9,562	12,720	10,800	14,400
Insurance & Casualties	-	-	-	-	-
Miscellaneous	78,252	90,096	103,296	72,748	77,650
Leases & Rentals	161,504	167,731	164,400	164,400	152,229
Depreciation	154,252	2,212,260	22,338	2,174	-
<b>Total Operating Expense</b>	<b>\$ 1,256,852</b>	<b>\$ 3,239,534</b>	<b>\$ 1,112,543</b>	<b>\$ 1,342,831</b>	<b>\$ 1,106,987</b>
<b>Full-Time Equivalents</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>5.5</b>

### MATERIAL BUDGET ITEMS:

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- Addition of 1.5 FTE for administrative support staff in 2013 budget
- Pay plan adjustment of \$25 thousand included in 2013 budget
- Reduction of legal fees

## General and Administrative Division Budgets

President	
FY13 Objectives & Tasks / Performance Measures	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
<b>GOAL 4:</b>	<b><i>Expand DCTA's services into areas where transit has a likelihood of success</i></b>
<p><b>OBJECTIVE:</b> Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement</li> </ul>	
<p><b>OBJECTIVE:</b> Provide outreach to non-participating cities and other potential public or private partners</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies</li> <li>Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan</li> <li>Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps</li> </ul>	
<p><b>OBJECTIVE:</b> Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors</li> <li>Partner with DART and The T to advance the Cotton Belt / TexRail and regional rail initiatives</li> </ul>	
<b>GOAL 5:</b>	<b><i>Coordinate regional services with other regional transit providers</i></b>
<p><b>OBJECTIVE:</b> Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement</li> </ul>	

President	
FY12 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE:</b> Provide excellent customer service - Voice of the Customer</p>	<ul style="list-style-type: none"> <li>Customer satisfaction survey completed - received 90% Customer Satisfaction rating for drivers/engineers</li> </ul>
<p><b>OBJECTIVE:</b> Provide safe operations</p>	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<p><b>OBJECTIVE:</b> Cooperate with county and regional mobility improvement programs</p>	<ul style="list-style-type: none"> <li>Focused on regional rail partnership development and cooperative efficiencies</li> </ul>
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE:</b> Provide staff with tools &amp; resources necessary to perform their job</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Encourage participation in professional development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Attendance at APTA, SWTA and TexITE</li> </ul>
<p><b>OBJECTIVE:</b> Review and ensure departments have appropriate administrative policies and procedures to ensure continuity</p>	<ul style="list-style-type: none"> <li>Completed updates to Employee Handbook and Financial Policies</li> </ul>
<p><b>OBJECTIVE:</b> Maintain a positive work environment</p>	<ul style="list-style-type: none"> <li>Continued Unity Project efforts</li> </ul>
<b>GOAL:</b>	<b><i>Elevate local, regional and national awareness of DCTA</i></b>
<p><b>OBJECTIVE:</b> Develop and implement agency legislative agenda</p>	<ul style="list-style-type: none"> <li>Priorities set for Texas 83rd Legislature; multiple visits to Washington D.C. to discuss DCTA federal priorities</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, contracts, procurement human resources and grant reporting. The Human Resources budget is reported separately on pages 60-61.

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised	FY 2013 Budget
<b>FINANCE</b>					
Salary, Wages & Benefits	\$ 444,209	\$ 461,001	\$ 520,677	\$ 524,397	\$ 585,397
Services	137,541	139,814	205,052	206,580	268,658
Materials & Supplies	7,314	1,946	900	900	-
Utilities	720	-	720	-	-
Insurance & Casualties	4,775	4,207	5,148	5,148	5,400
Miscellaneous	16,505	7,495	20,402	12,074	9,701
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 611,063</b>	<b>\$ 614,463</b>	<b>\$ 752,899</b>	<b>\$ 749,099</b>	<b>\$ 869,156</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 2013
- Addition of TVM Credit Card Clearing Fees
- Increase in Audit Services
- Cost Allocation Plan included in 2013

# General and Administrative Division Budgets

Finance	
FY13 Objectives & Tasks / Performance Measures	
<b>GOAL 1:</b>	<b><i>Maximize service efficiency and reliability</i></b>
<p><b>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Insure timely vehicle procurements consistent with all operating and funding requirements</li> </ul> <p><b>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Provide accurate and timely financial data used to evaluate services monthly by the 10th working day</li> </ul> <p><b>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio &lt;= 20%)</li> </ul>	
<b>GOAL 3:</b>	<b><i>Increase the visibility and elevate the image of the Authority</i></b>
<p><b>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold Level (Also noted in Goal 8)</li> <li>• Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync</li> </ul> <p><b>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Support regional reciprocal fare agreement with DART and the "T"</li> <li>• Participate in fare payment initiatives that promote regional cooperation</li> <li>• Evaluate use of shared services agreement</li> </ul>	
<b>GOAL 4:</b>	<b><i>Expand DCTA's services into areas where transit has a likelihood of success</i></b>
<p><b>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Provide financial review and analysis of new services requests with review of current and long-term impact</li> </ul>	
<b>GOAL 5:</b>	<b><i>Coordinate regional services with other regional transit providers</i></b>
<p><b>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• More frequent meetings to discuss special projects, events or issues</li> <li>• Quarterly meetings with DART and The T on regional services issues</li> </ul> <p><b>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Pursue joint funding for positive train control</li> <li>• Pursue joint funding for passenger information and planning tools that encourage seamless connectivity</li> <li>• Support regional initiatives with other transit agencies and NCTCOG</li> </ul> <p><b>OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries</b>  <u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>• Actively participate in the planning and implementation of the CottonBelt</li> <li>• Modify the A-train regional fare boundary and incorporate a DCTA ticket vending machine at Trinity Mills station, allowing passengers to pay a local fare when utilizing only one service</li> <li>• Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing</li> </ul>	

## General and Administrative Division Budgets

Finance	
FY13 Objectives & Tasks / Performance Measures (Continued)	
<b>GOAL 6:</b>	<b><i>Tie the provision of transit to land-use and the resulting demand levels</i></b>
<p><b>OBJECTIVE: Existing services that significantly exceed standards should be augmented</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level</li> </ul>	
<p><b>OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Identify affordable options for service enhancements during schedule update</li> </ul>	
<b>GOAL 7:</b>	<b><i>Advocate sustainable development practices that support transit</i></b>
<p><b>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Identify funding methods and sources for capital needs in long-range service plan</li> </ul>	
<b>GOAL 8:</b>	<b><i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i></b>
<p><b>OBJECTIVE: Establish and maintain high bond ratings</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations</li> </ul>	
<p><b>OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Adopt a 5-Year capital plan as part of the annual budget process</li> <li>• Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs</li> </ul>	
<p><b>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Complete sales tax audit</li> <li>• Implement review of risk insurance coverage for DCTA operations</li> <li>• Develop full functionality of new financial system</li> <li>• Insure proper grant management and timely reporting</li> <li>• Monitor and insure timely reimbursement of all allowable grant expenditures</li> <li>• Establish and maintain reserves per adopted Financial Policies</li> <li>• Maintain internal debt coverage ratio at 1.25x</li> </ul>	
<p><b>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Manage grant and contract compliance in accordance with federal standards on federally funded projects</li> <li>• Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal</li> <li>• Achieve unqualified audit opinion and completion of annual audit within 6 months of year end</li> <li>• Earn Government Finance Officers Assoc. recognition for Distinguished Budget Award and Certificate of Excellence in Financial</li> <li>• Maintain well defined annual budget process that incorporates opportunity for public input</li> <li>• Maintain compliance and accountability of P-card program</li> <li>• Review and update process/procedures annually</li> <li>• Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet</li> </ul>	

# General and Administrative Division Budgets

Finance FY12 Performance Measure Results/Status	
<b>GOAL:</b> <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
<b>OBJECTIVE:</b> 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>
<b>OBJECTIVE:</b> Provide safe operations	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>GOAL:</b> <i>Provide long term financial stability</i>	
<b>OBJECTIVE:</b>	
<b>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 - Adopted as part of Financial Policy Adoption</li> <li>Pending</li> <li>FY11 Audit results presented to Board 2/2012</li> <li>SEC Rule 15c2-12 Filing for FYE11 submitted</li> </ul>
<b>OBJECTIVE:</b> Develop and adopt key financial policies	<ul style="list-style-type: none"> <li>Complete - Financial Policies Adopted</li> </ul>
<b>OBJECTIVE:</b> Develop systems that ensure assets are properly safeguarded	
<b>Tasks / Performance Measure:</b>	
<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>	<ul style="list-style-type: none"> <li>Complete - SunGard One Solution conversion 2/2012</li> <li>On-going auctions for disposal of assets are scheduled as needed to insure timely and proper disposal</li> </ul>
<b>OBJECTIVE:</b> Receive an unqualified audit opinion with no material findings	
<b>Tasks / Performance Measure:</b>	
<ul style="list-style-type: none"> <li>FY11 Audit Results</li> </ul>	<ul style="list-style-type: none"> <li>Complete</li> </ul>
<b>OBJECTIVE:</b> Establish identifiable revenue sources to ensure stability of annual budgets	
<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>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>All reporting deadlines met; 6 grants awarded; 3 grants closed; \$2.8M FTA funds drawdown; \$7.8M state funds drawdown</li> <li>On-going quarterly grants review meeting</li> <li>Pending</li> <li>Pending</li> <li>Pending</li> <li>Pending</li> </ul>
<b>OBJECTIVE:</b> Ensure expenditure controls are in place and function effectively	
<b>Tasks / Performance Measure:</b>	
<ul style="list-style-type: none"> <li>Accountability of P-card program and all other purchasing procedures</li> <li>Maintain expenditure accountability: operating &amp; capital budgets</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>On-going; monthly staff and Board review; Quarterly one-on-one meeting with VPs for in-depth review</li> </ul>
<b>OBJECTIVE:</b> Establish budget practices that ensure sustainability and continuity of services	
<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>Maintain a Fund Balance Reserve</li> <li>Establish Sales Tax Stabilization Reserve Fund</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Completed</li> <li>Completed - established for FY13 Budget</li> <li>Completed</li> <li>Completed - established for FY13 Budget</li> </ul>
<b>OBJECTIVE:</b> Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget	
<b>Tasks / Performance Measure:</b>	
<ul style="list-style-type: none"> <li>Successful closeout audit of actual construction costs</li> <li>Final budget at/under the \$193M</li> </ul>	<ul style="list-style-type: none"> <li>Completed</li> <li>Completed - closed out at \$192.5M</li> </ul>
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<b>OBJECTIVE:</b> Maintain a positive work environment	<ul style="list-style-type: none"> <li>On-going</li> </ul>
<b>GOAL:</b> <i>Elevate local, regional and national awareness of DCTA</i>	
<b>OBJECTIVE:</b> Ensure accessibility of current and historical financial data	
<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>On-going; Received Silver Award in FY12; Will work toward Gold Award level recognition</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.

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>MARKETING &amp; COMMUNICATIONS</b>					
Salary, Wages & Benefits	\$ 188,288	\$ 177,676	\$ 193,960	\$ 198,400	\$ 271,659
Services	267,335	340,841	234,500	268,500	222,600
Materials & Supplies	50,479	93,648	35,500	35,500	18,000
Utilities	1,440	-	1,440	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	16,470	11,608	19,020	16,020	34,795
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 524,012</b>	<b>\$ 623,773</b>	<b>\$ 484,420</b>	<b>\$ 518,420</b>	<b>\$ 547,054</b>
<b>Full-Time Equivalents</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>

### MATERIAL BUDGET ITEMS:

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- Merit pay of 3% included
- Management Specialist position previously budgeted in the President's division, has been transferred to Marketing and Communications for the 2013 budget
- Marketing Services project included in the 2013 budget for special events

Communications & Marketing  
FY13 Objectives & Tasks / Performance Measures

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

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

**Tasks / Performance Measure:**

- Annual marketing initiatives will include Ozone and ETR outreach, vanpool, University Pass Program, local fixed-route and A-train
- Targeted marketing and communication efforts will be focused around service changes and key events
- Maximize media exposure and increase earned media value

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

**Tasks / Performance Measure:**

- Produce and print ridership materials twice a year two weeks in advance of any service changes
- Hold at least one focus-group with passengers annually to discuss improvements to passenger information
- Implement Where's My Ride predictive travel information (September 2013)
- Implement SMS text rider alert system (December 2012)
- Develop mobile website (September 2013)

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

**Tasks / Performance Measure:**

- Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public
- Actively engage and inform the public through a variety of formats including traditional and social media
- Provide regular communication with stakeholders during capital project development and implementation
- Provide presentation opportunities to civic groups and neighborhood associations

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

**Tasks / Performance Measure:**

- Number of marketing partnerships and employer outreach
- Number of community events and individuals reached
- Develop a transit advertising program that encourages local participation and generates additional non-operating revenue

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

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

**Tasks / Performance Measure:**

- Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies
- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next

**OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently**

**Tasks / Performance Measure:**

- Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors
- Partner with DART and The T to advance the Cotton Belt / TexRail
- Promote the vanpool program in areas that are currently not served by DCTA

# General and Administrative Division Budgets

Communications & Marketing	
FY13 Objectives & Tasks / Performance Measures (Continued)	
<b>GOAL 5:</b>	<b><i>Coordinate regional services with other regional transit providers</i></b>
<p><b>OBJECTIVE:</b> Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Quarterly meetings with customer service staff</li> <li>• Quarterly meetings with planning staff</li> <li>• Quarterly meetings with marketing &amp; communications staff</li> <li>• More frequent meetings to discuss special projects, events or issues</li> </ul>	
<p><b>OBJECTIVE:</b> Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Actively participate in the planning and implementation of the CottonBelt</li> </ul>	
<p><b>OBJECTIVE:</b> Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Participate in regional events</li> <li>• Target Denton County employers that have employees driving from outside of Denton County</li> <li>• Evaluate vanpool opportunities for Wise County residents who work in Denton County</li> <li>• Promote ridesharing opportunities through use of DCTA's station parking lots</li> </ul>	

Communications & Marketing	
FY12 Performance Measure Results/Status	
<b>GOAL:</b>	<b><i>Provide mobility solutions that are safe, customer focused and efficient</i></b>
<p><b>OBJECTIVE:</b> Provide excellent customer service - Voice of the Customer</p>	<ul style="list-style-type: none"> <li>• Implemented customer survey and Go-Request, a customer communication tool</li> </ul>
<p><b>OBJECTIVE:</b> Provide safe operations</p>	<ul style="list-style-type: none"> <li>• Will continue to be an on-going effort for the agency</li> </ul>
<p><b>OBJECTIVE:</b> Continue Transit Safety Education Program</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Number of travel and safety training opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Hosted 9 safety training events with 1,165 attendees</li> </ul>
<b>GOAL:</b>	<b><i>Promote and encourage high performing staff and service delivery</i></b>
<p><b>OBJECTIVE:</b> Maintain a positive work environment</p>	<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>
<p><b>OBJECTIVE:</b> Provide civic and public group presentations</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Increase number of presentations provided</li> </ul>	<ul style="list-style-type: none"> <li>• Provided 20 community presentations</li> </ul>
<p><b>OBJECTIVE:</b> Maximize media exposure / Coverage (Earned Media)</p>	<ul style="list-style-type: none"> <li>• Earned Media Coverage = \$331,382</li> </ul>
<p><b>OBJECTIVE:</b> Promote DCTA's transit services with focused and targeted marketing campaigns</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>• Number of marketing activities; Increase in ridership</li> </ul>	<ul style="list-style-type: none"> <li>• Participated in 6 community events reaching &gt; 230,000 individuals. Received national recognition for Rail Safety Campaign; Received APTA, ADDY, SWTA awards for marketing efforts.</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, environmental studies, federal grant programming, operational data reporting and analysis and development review.

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>PLANNING</b>					
Salary, Wages & Benefits	\$ (44)	\$ -	\$ -	\$ 44,946	\$ 130,887
Services	204,833	88,015	30,000	30,000	22,500
Materials & Supplies	7	-	-	-	-
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	4,087	650	-	1,125	8,222
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 208,883</b>	<b>\$ 88,665</b>	<b>\$ 30,000</b>	<b>\$ 76,071</b>	<b>\$ 161,609</b>
<b>Full-Time Equivalents</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>1.75</b>

**MATERIAL BUDGET ITEMS:**

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- The Project Manager position was filled in 2012. FY13 contains a full year of salary and benefits for the position.

## General and Administrative Division Budgets

Planning & Service Development  
FY13 Objectives & Tasks / Performance Measures

**GOAL 1:** *Maximize service efficiency and reliability*

**OBJECTIVE:** Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA

**Tasks / Performance Measure:**

- Effectively manage the construction of the Bus Operations & Maintenance Facility to ensure that the facility once constructed meets the Authority's operational and maintenance needs. Target completion date is January 2014.

**OBJECTIVE:** Operate consistent headways whenever possible

**Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas**

**Assign vehicles by service type**

**Tasks / Performance Measure:**

- Improve overall service delivery with each planned schedule update

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

**OBJECTIVE:** Minimize service overlap/duplications

**OBJECTIVE:** (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions

(2) Transfers should be convenient and fast between routes

(3) Operate routes directionally, minimizing the amount of off-directional travel

(4) Implement strategies to speed transit service, particularly along congested corridors

(5) Ensure adequate vehicle capacity to maintain passenger loads within the adopted maximum load standards established for fixed-route services

**Tasks / Performance Measure:**

- Successfully implement with schedule revisions in August and January

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

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

**Tasks / Performance Measure:**

- Install 26 bus shelters in Denton and at four rail stations
- Install schedule holders along the bus routes in Lewisville and Denton and rail stations and 9 kiosks

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

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

**Tasks / Performance Measure:**

- Host a county-wide lunch with local and state elected officials prior to legislative sessions to discuss long-term vision, opportunities and key legislative strategies
- Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan
- Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next

**OBJECTIVE:** Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently available

**Tasks / Performance Measure:**

- Introduce legislation that will encourage Class I railroads to allow shared-use of freight corridors
- Partner with DART and The T to advance the Cotton Belt / TexRail
- Promote the vanpool program in areas that are currently not served by DCTA

**OBJECTIVE:** Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services

## General and Administrative Division Budgets

### Planning & Service Development FY13 Objectives & Tasks / Performance Measures (Continued)

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

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

**Tasks / Performance Measure:**

- Quarterly meetings with customer service staff
- Quarterly meetings with planning staff
- Quarterly meetings with marketing & communications staff
- More frequent meetings to discuss special projects, events or issues

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

**Tasks / Performance Measure:**

- Pursue joint funding for positive train control
- Pursue joint funding for passenger information and planning tools that encourage seamless connectivity
- Support regional initiatives with other transit agencies and NCTCOG

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

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

**Tasks / Performance Measure:**

- Participate in city and regional planning initiatives
- Provide examples of best practices to DCTA's member cities that encourage pedestrian and transit accessibility
- Offer speaking and presentation opportunities on sustainable development and transit supportive design

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

**Tasks / Performance Measure:**

- Provide technical assistance to local and regional officials

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

**Tasks / Performance Measure:**

- Monitor new development activity in member cities and provide feedback

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

**Tasks / Performance Measure:**

- Provide technical assistance to development of professionals to encourage transit supportive development

**OBJECTIVE:** Encourage the establishment of local policies requiring new transit-dependent land uses, such as social service offices and community colleges, should be located on transit routes

**Tasks / Performance Measure:**

- Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-

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

**Tasks / Performance Measure:**

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

#### **GOAL 8:** *Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values*

**OBJECTIVE:** Maintain a transparent financial environment free of fraud, waste and abuse

**Tasks / Performance Measure:**

- Manage grant and contract compliance in accordance with federal standards on federally funded projects
- Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agen

## General and Administrative Division Budgets

Planning & Service Development FY12 Performance Measure Results/Status	
<b>GOAL:</b> <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
<b>OBJECTIVE:</b> Adoption and implementation of the long range Service Plan by Quarter 2 of FY2012	<b>Results / Status:</b> <ul style="list-style-type: none"> <li>Complete and adopted by Board 12/2011</li> </ul>
<b>OBJECTIVE:</b> Provide excellent customer service - Voice of the Customer	<ul style="list-style-type: none"> <li>Customer Survey results implemented - 90% Customer Satisfaction for drivers &amp; engineers. Implemented Go-Request to track customer inquiries with target response time maximum 7 days; que wait time 3 minutes</li> </ul>
<b>OBJECTIVE:</b> Provide safe operations	<ul style="list-style-type: none"> <li>Will continue to be an on-going effort for the agency</li> </ul>
<b>GOAL:</b> <i>Provide long term financial stability</i>	
<b>OBJECTIVE:</b> Establish identifiable revenue sources to ensure stability of annual budgets	
<b>Tasks / Performance Measure:</b> <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>	<ul style="list-style-type: none"> <li>FTA; NCTCOG; Board reporting deadlines met</li> <li>6 federal grants executed; 3 federal grants closed</li> </ul>
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<b>OBJECTIVE:</b> Maintain a positive work environment	<ul style="list-style-type: none"> <li>Continued Unity Project efforts</li> </ul>

## General and Administrative Division Budgets

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### HUMAN RESOURCES

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

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>HUMAN RESOURCES</b>					
Salary, Wages & Benefits	\$ 68,416	\$ 67,610	\$ 72,954	\$ 72,954	\$ 83,474
Services	30,827	39,063	47,900	47,900	16,700
Materials & Supplies	-	14,498	18,350	18,350	-
Utilities	-	-	-	-	-
Insurance & Casualties	2,267	2,598	2,136	2,136	4,188
Miscellaneous	1,640	1,710	1,636	1,636	2,795
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 103,149</b>	<b>\$ 125,478</b>	<b>\$ 142,976</b>	<b>\$ 142,976</b>	<b>\$ 107,157</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:

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- Merit Pay included at 3%
- IT contract services were previously budgeted in the HR Dept. are now being budgeted under the President's budget
- Computer software and supplies are now budgeted in the President's budget for FY13

Human Resources FY13 Objectives & Tasks / Performance Measures	
<b>GOAL 3:</b> <i>Increase the visibility and elevate the image of the Authority</i>	
<p><b>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment</li> <li>• Identify opportunities for collaboration with local universities on internships and relevant research</li> <li>• Maintain a competitive compensation and benefits package for employees</li> <li>• Identify opportunities to incorporate Goals for Success developed during agency-wide unity process</li> <li>• Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity</li> </ul>	

Human Resources FY12 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>	• Will continue to be an on-going effort for the agency
<b>OBJECTIVE: Provide safe operations</b>	• Will continue to be an on-going effort for the agency
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<p><b>OBJECTIVE: Maintain a competitive benefit structure</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Annual review of peer benefit plans during renewal cycle</li> <li>• Conversion of TCDRS</li> </ul>	
	<ul style="list-style-type: none"> <li>• In Process</li> <li>• Complete</li> </ul>
<p><b>OBJECTIVE: Maintain a competitive compensation plan</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Administer and ensure compliance of compensation plan</li> </ul>	
	<ul style="list-style-type: none"> <li>• In Process</li> </ul>
<p><b>OBJECTIVE: Maintain a positive work environment</b></p>	
	<ul style="list-style-type: none"> <li>• In Process - incorporated self-service for annual benefits enrollment; implemented on-boarding sessions for new employees with staff to introduce DCTA culture; Unity program elements incorporated into training opportunities</li> </ul>

**TRANSIT OPERATIONS - ADMIN**

The Transit Operations department provides management and oversight efforts of the regional rail component, the A-train as well as the bus services component. In previous years, this division was separated into a Bus Admin and Rail Admin component but has now been combined for the FY13 budget.

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised	FY 2013 Budget
<b>TRANSIT OPERATIONS - ADMIN</b>					
Salary, Wages & Benefits	\$ 546,428	\$ 474,714	\$ 523,379	\$ 491,534	\$ 215,124
Services	34,918	35,809	35,174	12,174	35,174
Materials & Supplies	15,888	28,869	16,700	16,700	14,200
Utilities	2,392	-	8,910	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	35,028	35,939	45,600	33,600	19,326
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ 634,653</b>	<b>\$ 575,332</b>	<b>\$ 629,763</b>	<b>\$ 554,008</b>	<b>\$ 283,825</b>
<b>Full-Time Equivalents</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>2.0</b>

**MATERIAL BUDGET ITEMS:**

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- Transit Operations –Admin combines the previous Bus Admin and Rail Admin departments. There has been a reduction of 3 in Full-Time Equivalents in this department. This is due to the elimination of the VP of Rail and Project Development position included in FY12 and the transfer of 2 FTE to the Rail Services Division.

Transit Operations	
FY13 Objectives & Tasks / Performance Measures	
<b>GOAL 1:</b>	<b><i>Maximize service efficiency and reliability</i></b>
<p><b>OBJECTIVE:</b> <b>Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Effectively manage the construction of the Bus Operations &amp; Maintenance Facility to ensure that the facility once constructed meets the Authority's operational and maintenance needs. Target completion date is January 2014.</li> <li>• No more than 2 accidents per 100,000 miles for DCTA Bus Operations</li> <li>• Maintain zero FRA reportable worker injuries</li> <li>• Maintain rail vehicle up-time at 90%</li> <li>• 100% of preventative maintenance performed on-time</li> <li>• Insure timely vehicle procurements consistent with all operating and funding requirements</li> </ul>	
<p><b>OBJECTIVE:</b> <b>Operate on-schedule within adopted on-time performance standards</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• 95% on-time performance for bus services</li> <li>• 99% on-time performance for rail services</li> </ul>	
<p><b>OBJECTIVE:</b> <b>Consistently monitor and evaluate services in accordance with adopted service standards</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Increase Access passengers per hour to 2.25</li> <li>• Increase system ridership by 10%</li> <li>• Decrease cost per passenger system wide</li> </ul>	
<p><b>OBJECTIVE:</b> <b>Minimize non-revenue hours operated on all services</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Revenue Service Hours to Total Hours Ratio (+85%)</li> </ul>	
<p><b>OBJECTIVE:</b> <b>Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio &lt;= 20%)</li> </ul>	
<p><b>OBJECTIVE:</b> (1) Operate consistent headways whenever possible                  (2) Build services around a network of intercity and local feeder services, as well as local routes/service in urban areas                  (3) Assign vehicles by service type</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Improve overall service delivery with each planned schedule update</li> </ul>	
<b>GOAL 2:</b>	<b><i>Maximize the effectiveness of service for DCTA's ridership markets</i></b>
<p><b>OBJECTIVE:</b> <b>Minimize service overlap/duplications</b></p>	
<p><b>OBJECTIVE:</b> <b>Provide access to major centers of demand from all parts of the DCTA service areas</b></p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Increase access to the Denton and Lewisville Connect system through route expansion to serve major employment and residential areas. (Accomplish during the January service update if funding permits)</li> </ul>	
<p><b>OBJECTIVE:</b> <b>Ensure routes are easy to understand</b></p> <p><b><u>Tasks / Performance Measure:</u></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 and the A-train</li> </ul>	

Transit Operations FY13 Objectives & Tasks / Performance Measures (Continued)	
<b>GOAL 2:</b>	<b><i>Maximize the effectiveness of service for DCTA's ridership markets</i></b>
<p><b>OBJECTIVE:</b> (1) Bi-directional service should be provided by most route segments, so that transit provides an equivalent alternative to for travel in both directions                      (2) Transfers should be convenient and fast between routes                      (3) Operate routes directionally, minimizing the amount of off-directional travel                      (4) Implement strategies to speed transit service, particularly along congested corridors                      (5) Ensure adequate vehicle capacity to maintain passenger loads within the adopted maximum load standards established for fixed-route services</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Successfully implement with schedule revisions in August and January</li> </ul>	
<b>GOAL 3:</b>	<b><i>Increase the visibility and elevate the image of the Authority</i></b>
<p><b>OBJECTIVE:</b> Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit</li> <li>• Number of GovRequest interactions and average response time. Goal of closure within seven days</li> <li>• Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call</li> <li>• Coordinate with regional customer service staff to ensure seamless connectivity</li> <li>• Evaluate call center infrastructure and staffing to ensure both are adequate</li> </ul>	
<b>GOAL 4:</b>	<b><i>Expand DCTA's services into areas where transit has a likelihood of success</i></b>
<p><b>OBJECTIVE:</b> Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p>	
<b>GOAL 5:</b>	<b><i>Coordinate regional services with other regional transit providers</i></b>
<p><b>OBJECTIVE:</b> Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Quarterly meetings with customer service staff</li> <li>• Quarterly meetings with planning staff</li> <li>• Quarterly meetings with marketing &amp; communications staff</li> <li>• More frequent meetings to discuss special projects, events or issues</li> </ul> <p><b>OBJECTIVE:</b> Co-author grant applications with regional agencies and planning entities</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Pursue joint funding for positive train control</li> <li>• Pursue joint funding for passenger information and planning tools that encourage seamless connectivity</li> </ul> <p><b>OBJECTIVE:</b> Consider joint operations /shared funding of transit services that cross county boundaries</p> <p><b><u>Tasks / Performance Measure:</u></b></p> <ul style="list-style-type: none"> <li>• Actively participate in the planning and implementation of the CottonBelt</li> <li>• Modify the A-train regional fare boundary and incorporate a DCTA ticket vending machine at Trinity Mills station, allowing passengers to pay a local fare when utilizing only one service</li> <li>• Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing</li> </ul>	

Transit Operations	
FY13 Objectives & Tasks / Performance Measures (Continued)	
<b>GOAL 6:</b>	<b><i>Tie the provision of transit to land-use and the resulting demand levels</i></b>
OBJECTIVE:	Existing services that fail to achieve established performance standards should be considered for remedial action
OBJECTIVE:	Existing services that significantly exceed standards should be augmented
	<u>Tasks / Performance Measure:</u>
	<ul style="list-style-type: none"><li>Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level</li></ul>
OBJECTIVE:	Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density
	<u>Tasks / Performance Measure:</u>
	<ul style="list-style-type: none"><li>Bring forward affordable options for service enhancements during schedule update</li></ul>
<b>GOAL 7:</b>	<b><i>Advocate sustainable development practices that support transit</i></b>
OBJECTIVE:	Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria
	<u>Tasks / Performance Measure:</u>
	<ul style="list-style-type: none"><li>Continue the development of positive relationships with member city staffs in order to promote transit supportive development</li></ul>
<b>GOAL 8:</b>	<b><i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i></b>
OBJECTIVE:	Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services
	<u>Tasks / Performance Measure:</u>
	<ul style="list-style-type: none"><li>Begin the development of a joint procurement with DART and The T for contract rail operations and maintenance</li></ul>

## RAIL SERVICES

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

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>RAIL SERVICES</b>					
Salary, Wages & Benefits	\$ -	\$ -	\$ -	\$ -	\$ 183,424
Services	-	129,068	101,340	125,471	141,000
Materials & Supplies	-	451,098	1,296,638	1,296,638	1,600,000
Utilities	-	86,251	176,723	305,215	270,400
Insurance & Casualties	-	-	110,000	110,000	234,000
Purchased Transportation Services	-	5,537,662	7,544,845	7,597,897	8,430,186
Miscellaneous	-	-	-	-	-
Leases & Rentals	-	305,300	769,630	769,630	150,000
Depreciation	-	-	3,387,639	5,735,615	8,381,300
<b>Total Operating Expense</b>	<b>\$ -</b>	<b>\$ 6,509,380</b>	<b>\$ 13,386,815</b>	<b>\$ 15,940,466</b>	<b>\$ 19,390,310</b>
DCTA FTE's	0	0	0	0	2
DART Contract FTE's	0	53	53	53	53

### MATERIAL BUDGET ITEMS:

- Elimination of RDC lease expense in FY 2013
- Depreciation begins on the Stadler vehicles in FY 2013
- Transfer of rail employees from Transit Administration to Rail Services to accurately capture the full cost of the rail service
- Increase in fuel with the addition of rail mid-day service along with an increase from the rate to \$4.00/gallon
- Includes an additional \$124k for Property Liability insurance for the Stadler cars in FY13
- Increase of 3% for the rail services contract

*\*The FY13 goals and objectives for transit operations are addressed under Transit Administration\**

# Rail Services Division Budgets

Rail Services FY12 Performance Measure Results/Status	
<b>GOAL:</b> <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
<p><b>OBJECTIVE:</b> Meet A-train Capital Project Completion milestones</p> <p><u>Tasks / Performance Measure:</u></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>Results / Status:</b></p> <ul style="list-style-type: none"> <li>Certificate of Final Completion: 1/23/12</li> </ul>
<p><b>OBJECTIVE:</b> 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</p> <p><u>Tasks / Performance Measure:</u></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>	<ul style="list-style-type: none"> <li>AVT Waiver Package submitted 1/26/12; AVT Waiver received 5/31/12</li> </ul>
<p><b>OBJECTIVE:</b> Maintain quality A-train service level in accordance with established Quality Service Parameters (QAP's)</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Maintain RDC equipment up-time at 90%. On-Time Performance (OTP) of 100%</li> </ul>	<ul style="list-style-type: none"> <li>RDC Equipment up-time maintained above 90%; OTP of 98.6%</li> </ul>
<p><b>OBJECTIVE:</b> Continue to work with A-train corridor stakeholders on future municipal capital projects</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Establish ILA agreements with stakeholders on maintenance and access within the A-train corridor</li> </ul>	<ul style="list-style-type: none"> <li>This is an on-going project</li> </ul>
<p><b>OBJECTIVE:</b> Further the implementation of the A-train Positive Train Control (PTC)</p> <p><u>Tasks / Performance Measure:</u></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>	<ul style="list-style-type: none"> <li>This project is on hold as of June 2012</li> </ul>
<p><b>OBJECTIVE:</b> Provide safe and efficient A-train start-up operations</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> <li>Test and integrate the DCTA GTW's and persue early integration into the A-train commuter rail system by achieving FRA AVT waiver by 2nd Quarter</li> </ul>	<ul style="list-style-type: none"> <li>Integration of GTWs began 6/16/12</li> </ul>
<p><b>OBJECTIVE:</b> Provide excellent customer service - Voice of the Customer</p>	<ul style="list-style-type: none"> <li>This will continue to be an on-going effort of the agency</li> </ul>
<b>GOAL:</b> <i>Provide long term financial stability</i>	
<p><b>OBJECTIVE:</b> Successfully closeout and audit the A-train construction contract resulting in a final completion at or under the established budget</p> <p><u>Tasks / Performance Measure:</u></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>	<ul style="list-style-type: none"> <li>Certificate of Final Completion received 1/23/12; Retainage released April 2012</li> <li>Final budget at \$192.8M</li> <li>Contract closed out successfully in 2012</li> <li>Project complete with zero construction claims</li> </ul>
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<p><b>OBJECTIVE:</b> Maintain a positive work environment</p>	<ul style="list-style-type: none"> <li>Continued Unity Project efforts</li> </ul>

## Bus Services Division Budget

### BUS SERVICES

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

COST CLASSIFICATION	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2012 Revised Budget	FY 2013 Budget
<b>CONTRACT BUS SERVICES</b>					
Salary, Wages & Benefits	\$ 4,409,314	\$ 4,387,833	\$ 5,054,639	\$ 4,913,939	\$ 5,292,312
Services	272,283	362,075	373,980	355,284	310,820
Materials & Supplies	1,581,857	1,694,534	2,043,911	1,976,911	1,819,380
Utilities	59,546	79,341	106,900	106,900	87,940
Insurance & Casualties	321,067	291,189	354,456	354,456	301,144
Miscellaneous	2,639	1,471	2,220	2,320	3,000
Leases & Rentals	160,536	123,205	102,900	114,950	119,101
Depreciation	939,215	929,071	1,222,394	945,201	939,143
<b>Total Operating Expense</b>	<b>\$ 7,746,457</b>	<b>\$ 7,868,720</b>	<b>\$ 9,261,401</b>	<b>\$ 8,769,961</b>	<b>\$ 8,872,841</b>
<b>Bus Contract FTE's</b>	<b>139.5</b>	<b>136.5</b>	<b>132</b>	<b>132</b>	<b>139</b>

### MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$4.00 per gallon in FY13
- Increased bus service beginning in January 2013
- Reduction in maintenance, parts and tires with the replacement of old buses and the elimination of the Commuter Express service
- Bus operator wage increase based on Union contract
- Increase in health benefits of 10%

*\*The FY13 goals and objectives for transit operations are addressed under Transit Administration\**

# Bus Services Division Budget

Bus Services	
FY12 Performance Measure Results/Status	
<b>GOAL:</b> <i>Provide mobility solutions that are safe, customer focused and efficient</i>	
<p><b>OBJECTIVE:</b> Provide Fixed Route Bus Services that are effective in attracting &amp; retaining riders</p> <p><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>Results / Status:</b></p> <ul style="list-style-type: none"> <li>Fixed Route bus service has an OTP of 97%</li> <li>Ridership on transit services increased by 20%</li> </ul>
<p><b>OBJECTIVE:</b> Continue to improve the quality, efficiency, and cost effectiveness of Access Service</p> <p><b>Tasks / Performance Measure:</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>Average Access passenger is 1.9 per hour</li> </ul>
<p><b>OBJECTIVE:</b> Expand Vanpool Service to provide Denton County residents and employees with an additional alternative to single-occupancy vehicle commuting</p> <p><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>	<ul style="list-style-type: none"> <li>DCTA is currently operating 5 vanpools</li> </ul>
<p><b>OBJECTIVE:</b> Continue the refinement of the Transition Travel Training program in order to effectively transition Access passengers to fixed route bus services</p> <p><b>Tasks / Performance Measure:</b></p> <ul style="list-style-type: none"> <li>Provide 100 separate travel training sessions and</li> <li>Effectively train 30 individuals to take trips on Connect or A-train Services</li> </ul>	<ul style="list-style-type: none"> <li>44 travel training sessions were completed in FY12</li> <li>116 customers were trained in FY12</li> </ul>
<p><b>OBJECTIVE:</b> Provide excellent customer service - Voice of the Customer</p> <p><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>	<ul style="list-style-type: none"> <li>In FY12, DCTA is averaging .77 complaints per 10,000 passengers</li> </ul>
<p><b>OBJECTIVE:</b> Provide safe operations</p> <p><b>Tasks / Performance Measure:</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>Transit operations is currently experiencing less than 2 accidents per 100,000 miles</li> </ul>
<b>GOAL:</b> <i>Promote and encourage high performing staff and service delivery</i>	
<p><b>OBJECTIVE:</b> Maintain a positive work environment</p>	<ul style="list-style-type: none"> <li>Continued Unity Project efforts</li> </ul>

HIGHLAND VILLAGE BALLOON FESTIVAL  
STATE FAIR OF TEXAS  
DALLAS ARTS DISTRICT  
SUNDANCE SQUARE

## LEWISVILLE

WESTERN DAYS  
OLD TOWN THEATRE  
CINCO DE MAYO  
LAKE LEWISVILLE



CONSIDER THE IMPACT:

# ENTERTAINMENT



## DENTON

UNT FOOTBALL  
HIKE & BIKE TRAILS  
ARTS & JAZZ FESTIVAL  
SHOPS & RESTAURANTS  
ON THE SQUARE

### **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.

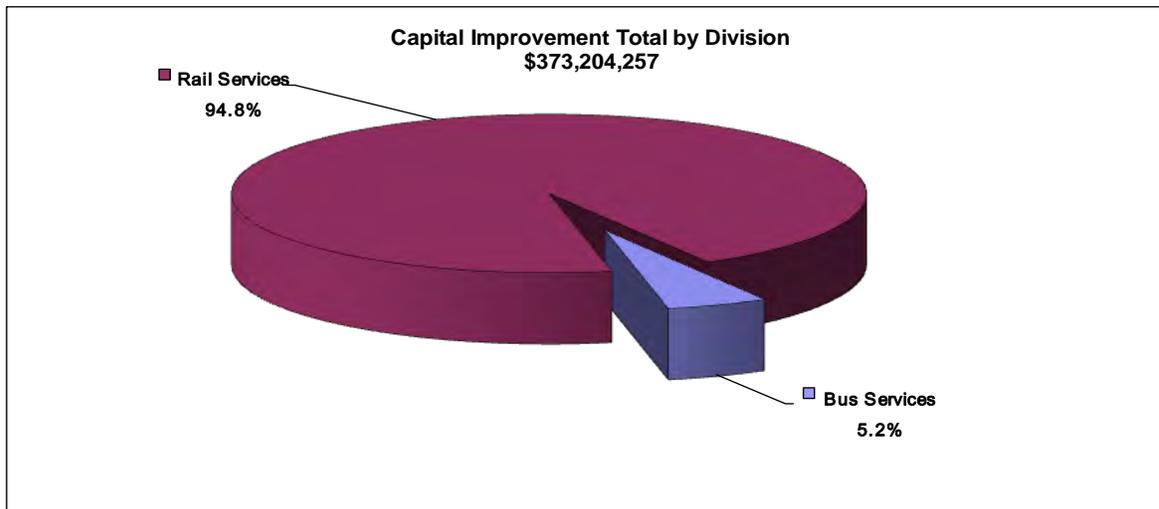
All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department 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 2013 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 FY13 is \$21.5 million, and includes bus and rail related projects. These projects are outlined in greater detail on subsequent pages in this section.

# Capital Improvement Plan Summary

Project Name	Project Number	Project LTD thru FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Project Total
<b>Bus Services</b>									
Passenger Amenities-Phase 2	50202	133,799	95,527	-	-	-	-	-	229,326
Bus Operations & Maintenance Facility	50301	1,967,610	105,868	8,269,062	1,378,177	-	-	-	11,720,717
Bus Maintenance Equipment	50302	51,435	75,000	373,565	-	-	-	-	500,000
Security System Video Units	50401	129,779	-	-	-	-	-	-	129,779
Paratransit Scheduling Systems	50403	147,167	32,833	-	-	-	-	-	180,000
Electronic Fareboxes	50405	-	-	-	-	-	-	-	-
Fleet Replacement	50502	2,587,132	549,861	-	-	1,973,773	-	-	5,110,766
DDTC	50303	-	-	373,282	-	-	-	-	373,282
Where's My Ride	50406	-	-	940,485	-	-	-	-	940,485
Bus Operations Safety & Security Equipment	50407	-	-	88,555	-	-	-	-	88,555
<b>Rail Services</b>									
Passenger Information	60701	-	28,714	27,500	-	-	-	-	56,214
Rail Maintenance Equipment	61502	-	50,000	-	-	-	-	-	50,000
Line Construction	61101	135,047,000	7,673	-	-	-	-	-	135,054,673
Rail Grinding	61102	-	-	204,000	-	204,000	-	204,000	612,000
MedPark Station	61201	8,415,370	-	-	-	-	-	-	8,415,370
Downtown Denton Station	61202	2,588,104	-	-	-	-	-	-	2,588,104
HV/LV Lake Station	61203	6,478,446	-	-	-	-	-	-	6,478,446
Old Town Lewisville Station	61204	7,208,699	-	-	-	-	-	-	7,208,699
Hebron Station	61205	2,170,589	-	-	-	-	-	-	2,170,589
MedPark Extension	61206	-	-	1,000,000	-	-	-	-	1,000,000
Trinity Mills - NTRG Expense	61207	10,475	-	-	-	-	-	-	10,475
Rail Operations & Maintenance Facility	61301	24,952,642	1,645,174	-	-	-	-	-	26,597,816
Fare Collection Systems	61401	633,129	99,976	-	-	-	-	-	733,105
Communication System	61402	3,765,084	-	-	-	-	-	-	3,765,084
Traffic Signals	61403	2,769,252	276,925	-	-	-	-	-	3,046,177
Railroad Signal System/Crossing	61404	11,624,876	8,591	-	-	-	-	-	11,633,467
Positive Train Control Study	61405	179,619	-	-	-	-	-	-	179,619
Positive Train Control	61406	239,172	3,002,070	9,508,758	4,247,441	-	-	-	16,997,441
Rail Cars	61501	53,589,443	26,206,081	-	-	-	-	-	79,795,524
Stadler Cars Implementation	61502	-	895,803	-	-	-	-	-	895,803
Professional Services	61601	24,104,908	162,257	-	-	-	-	-	24,267,165
CM/GC Pre-Construction	61602	522,315	-	-	-	-	-	-	522,315
Trail Relocation - North Region	61701	1,992,750	-	-	-	-	-	-	1,992,750
Project Management - DCTA Internal	61702	319,082	-	-	-	-	-	-	319,082
Rail Corridor - DART	61703	15,047,155	-	-	-	-	-	-	15,047,155
Neighborhood Sound Mitigation	61706	227,170	-	-	-	-	-	-	227,170
Community Enhancements	61707	13,091	140,000	599,617	-	-	-	-	752,708
Lewisville Bike Trail	61708	60,685	-	86,250	741,520	2,600,941	-	-	3,489,396
ROW Fencing	61709	-	-	25,000	-	-	-	-	25,000
<b>TOTAL</b>		<b>\$ 306,975,978</b>	<b>\$ 33,382,353</b>	<b>\$ 21,496,074</b>	<b>\$ 6,367,138</b>	<b>\$ 4,778,714</b>	<b>\$ -</b>	<b>\$ 204,000</b>	<b>\$ 373,204,257</b>



Capital Improvement Plan - Project Detail

**Project Name: Bus Operations & Maintenance Facility**  
**Project Number: 50301**

Statement of Need/Description

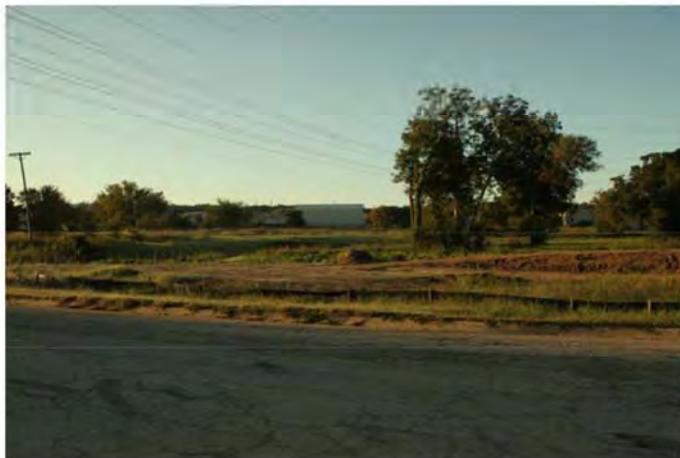
The Bus Operations and Maintenance facility project began in FY08. It will be located within the City of Denton and include accommodations for the current fleet as well as provide for expansion to handle anticipated growth. General amenities will include maintenance bays; overhaul bays; parts and tool storage; specialty repair areas; fuel, oil and lubricant distribution and recovery systems; vehicle wash systems; bus parking; employee parking; supervisory offices and administrative staff work rooms.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-10	\$ 1,966,110	\$ -	\$ -		
2010-11	1,500	-	-		
2011-12	105,868	-	-	State Grants (RTRFI)	\$ -
2012-13	8,269,062	-	-	Federal Grants	8,297,030
2013-14	1,378,177	-	-	Operating Funds	3,423,687
<b>Total</b>	<b>\$ 11,720,717</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 11,720,717</b>

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

Project Information/Status:



Capital Improvement Plan - Project Detail

**Project Name: Bus 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
No Change	<input checked="" type="checkbox"/>	A portion of the maintenance equipment will be purchased in 2012 with the remaining to be purchased in 2013.
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

**Project Information/Status:**

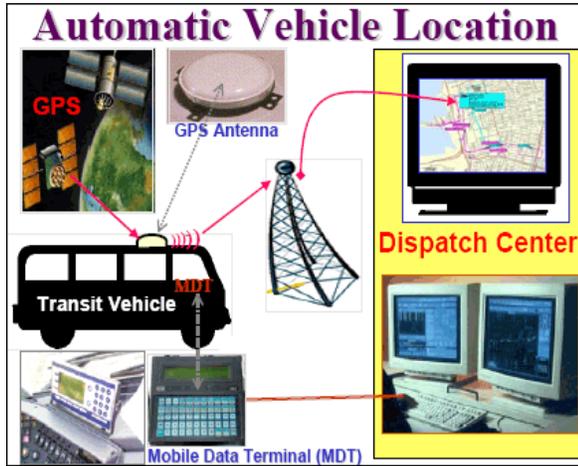


**Project Name: Where's My Ride**

**Project Number: 50406**

**Statement of Need/Description**

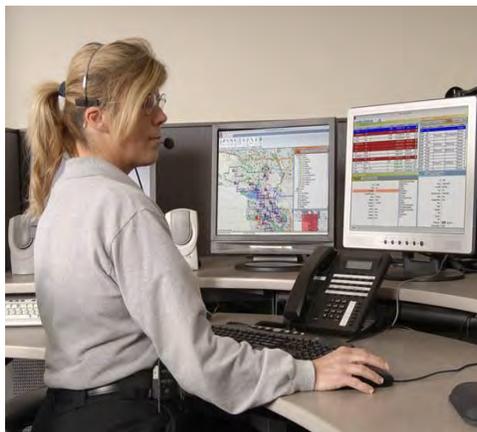
The Where's My Ride capital project will provide real-time passenger information with predictive arrival by stop and CAD/AVL to aid dispatch and the call center. The project will also include a payment system allowing for university ID integration and GFI integration. The project will provide improved, more accurate and efficient data collection for the bus services and will allow for stop level ridership reporting. Finally, it will offer next stop annunciation which will improve ADA adherence for the bus service. This project will be funded by federal ARRA along with 5307, JARC and New Freedom funds.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-	State Grants (RTRFI)	\$ -
2011-12	-	-	-	Federal Grants	841,388
2012-13	940,485	-	-	Operating Funds	99,097
<b>Total</b>	<b>\$ 940,485</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 940,485</b>

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Communications & Marketing
Increase in Amount		
Decrease in Amount		
New Project	X	

**Project Information/Status:**



**Project Name: Bus Operations & Maintenance Facility Safety & Security Equipment**  
**Project Number: 50407**

**Statement of Need/Description**

DCTA will utilize 5307 funds to supplement the Operations & Maintenance project to include security cameras, security fencing, keycard access and lighting. These funds will comply with our 1% annual safety/security expenditure requirement.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-	State Grants (RTRFI)	\$ -
2011-12	-	-	-	Federal Grants	70,844
2012-13	88,555	-	-	Operating Funds	17,711
<b>Total</b>	<b>\$ 88,555</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 88,555</b>

Change from Previous CIP		Project Notes
No Change		<b>Coordinating Department: Transit Operations &amp; Planning</b>
Increase in Amount		
Decrease in Amount		
New Project	<b>X</b>	

**Project Information/Status:**



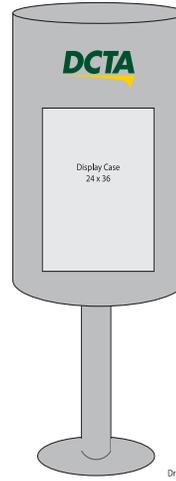
Capital Improvement Plan – Project Detail

**Project Name: Passenger Information**

**Project Number: 60701**

**Statement of Need/Description**

In 2011, DCTA expanded its services to include the A-train and its five rail stations. The additional ridership growth has resulted in additional demand for passenger information. DCTA identified areas at the rail stations, at bus stops and in the vehicles to display schedule and service information. This capital project will purchase four sign kiosks for each station, signage holders for buses, and schedule holders for bus stops.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-	State Grants (RTRFI)	\$ -
2011-12	28,714	-	-	Federal Grants	-
2012-13	27,500	-	-	Operating Funds	56,214
<b>Total</b>	<b>\$ 56,214</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 56,214</b>

Change from Previous CIP		Project Notes
No Change	<input checked="" type="checkbox"/>	<b>Coordinating Department: Communications &amp; Marketing</b>
Increase in Amount	<input type="checkbox"/>	
Decrease in Amount	<input type="checkbox"/>	
New Project	<input type="checkbox"/>	

**Project Information/Status:**



Capital Improvement Plan – Project Detail

**Project Name: Rail Grinding**

**Project Number: 61102**

**Statement of Need/Description**

Rail grinding of the A-train track will be accomplished on a periodic basis in order to control the effects of rolling contact fatigue, to restore profile, and to eliminate material buildup on the track. This project includes the maintenance expense for FY13 and FY14.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-10	\$ -	\$ -	\$ -		
2010-11	-	-	-		
2011-12	-	-	-	State Grants (RTRFI)	\$ -
2012-13	204,000	-	-	Federal Grants	-
2013-14	-	-	-	Operating Funds	204,000
<b>Total</b>	<b>\$ 204,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 204,000</b>

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

**Project Information/Status:**



Capital Improvement Plan – Project Detail

**Project Name: MedPark Extension**

**Project Number: 61206**

**Statement of Need/Description**

As part of the MedPark station land acquisition, DCTA was required to set aside \$1M to be used to pay for the design and construction of an extension to MedPark drive from its intersection with Colorado to an intersection with the North bound service road of Interstate 35E. In accordance with the land acquisition contract, the seller or the seller's designee is responsible for construction and submittal of requests for reimbursement before the 5th anniversary of the original closing date.



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-		
2011-12	-	-	-	State Grants (RTRFI)	-
2012-13	1,000,000	-	-	Federal Grants	-
2013-14	-	-	-	Operating Funds	1,000,000
<b>Total</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 1,000,000</b>

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

**Project Information/Status:**



Capital Improvement Plan – Project Detail

**Project Name: Positive Train Control**  
**Project Number: 61406**

**Statement of Need/Description**

The FRA has provided the following description for Positive Train Control: "The Rail Safety Improvement Act of 2008 (RSIA) mandates that Positive Train Control (PTC) be implemented across a significant portion of the Nation's rail industry by December 31, 2015. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to communication-based/processor-based train control technology that provides a system capable of reliably and functionally preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position."



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	239,172	-	-	Debt Issuance	\$ 17,000,000
2011-12	3,002,070	-	-	State Grants (RTRFI)	-
2012-13	9,508,758	-	-	Federal Grants	-
2013-14	4,247,441	-	-	Operating Funds	-
<b>Total</b>	<b>\$ 16,997,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 17,000,000</b>

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

**Project Information/Status:**



Capital Improvement Plan - Project Detail

**Project Name: 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	60,685	-	-		
2011-12	-	-	-		
2012-13	86,250	-	-	State Grants (RTRFI)	\$ -
2013-14	741,520	-	-	Federal Grants	2,791,516
2014-15	2,600,941	-	-	Operating Funds	697,880
<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	<input checked="" type="checkbox"/>	<b>Coordinating Department: Rail Services</b>	
Increase in Amount	<input type="checkbox"/>		
Decrease in Amount	<input type="checkbox"/>		
New Project	<input type="checkbox"/>		

**Project Information/Status:**



Capital Improvement Plan – Project Detail

**Project Name: 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	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	13,091	-	-	State Grants (RTRFI)	\$ -
2011-12	140,000	-	-	Federal Grants	602,166
2012-13	599,617	-	-	Operating Funds	150,542
<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	
No Change	<input checked="" type="checkbox"/>	<b>Coordinating Department: Rail Services</b>	
Increase in Amount	<input type="checkbox"/>		
Decrease in Amount	<input type="checkbox"/>		
New Project	<input type="checkbox"/>		

**Project Information/Status:**



Capital Improvement Plan – Project Detail

**Project Name: Rail Right-Of-Way Fencing**  
**Project Number: 61709**

**Statement of Need/Description**

This capital project will be used to provide fencing along the right-of-way of the rail line. DCTA plans to enter into partnerships with private property owners in order to leverage project funds to encourage them to build fencing. DCTA will also use the funds to provide fencing in areas where trespassing occurs frequently and where the trail and rail corridors are at-grade with one another.



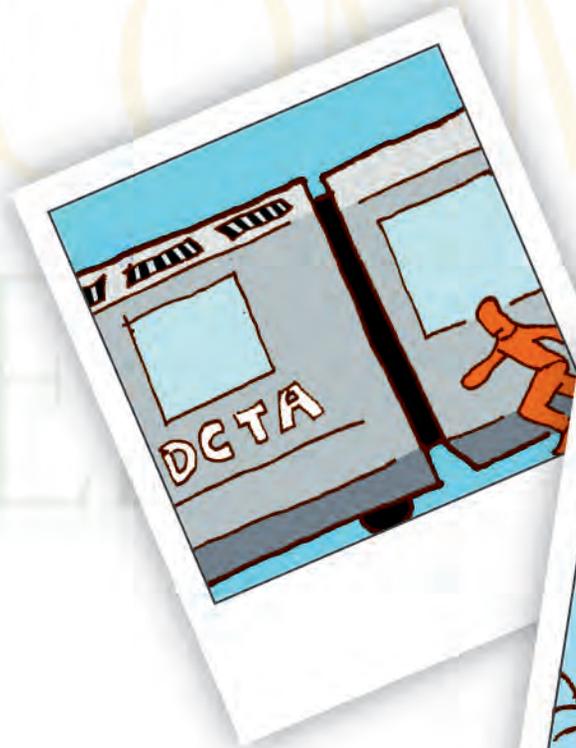
Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-09	\$ -	\$ -	\$ -		
2009-10	-	-	-		
2010-11	-	-	-	State Grants (RTRFI)	\$ -
2011-12	-	-	-	Federal Grants	-
2012-13	25,000	-	-	Operating Funds	25,000
<b>Total</b>	<b>\$ 25,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total Funding</b>	<b>\$ 25,000</b>

Change from Previous CIP		Project Notes	
No Change	<input type="checkbox"/>	<b>Coordinating Department: Transit Operations &amp; Planning</b>	
Increase in Amount	<input type="checkbox"/>		
Decrease in Amount	<input type="checkbox"/>		
New Project	<b>X</b>		

**Project Information/Status:**



COMMUNITY



**BIKE FRIENDLY**  
A-TRAIN, CONNECT & ACCESS



**REGIONAL TRANSIT FOCUS**

DIRECT CONNECTION TO DART, DALLAS  
PARTNERED WITH THE "T", FT. WORTH

CONSIDER THE IMPACT:

**CONNECTION**

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ENVIRONMENT

# Denton County Transportation Authority Financial Management Policies

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

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

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

### **Debt Management Policy**

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

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

These will be accomplished by:

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

### **Investment Policy (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

## DCTA Budget Contingency Plan

FY2013

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

### Section I: Sales Tax Revenue Shortfall

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

#### *Initial Precautionary Action*

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

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

#### **2% Reduction (\$375,508)**

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

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

### **3% Reduction (\$563,262)**

- 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 (\$751,016)**

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

## Section II: Sales Tax Revenue Sustainable Increase

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

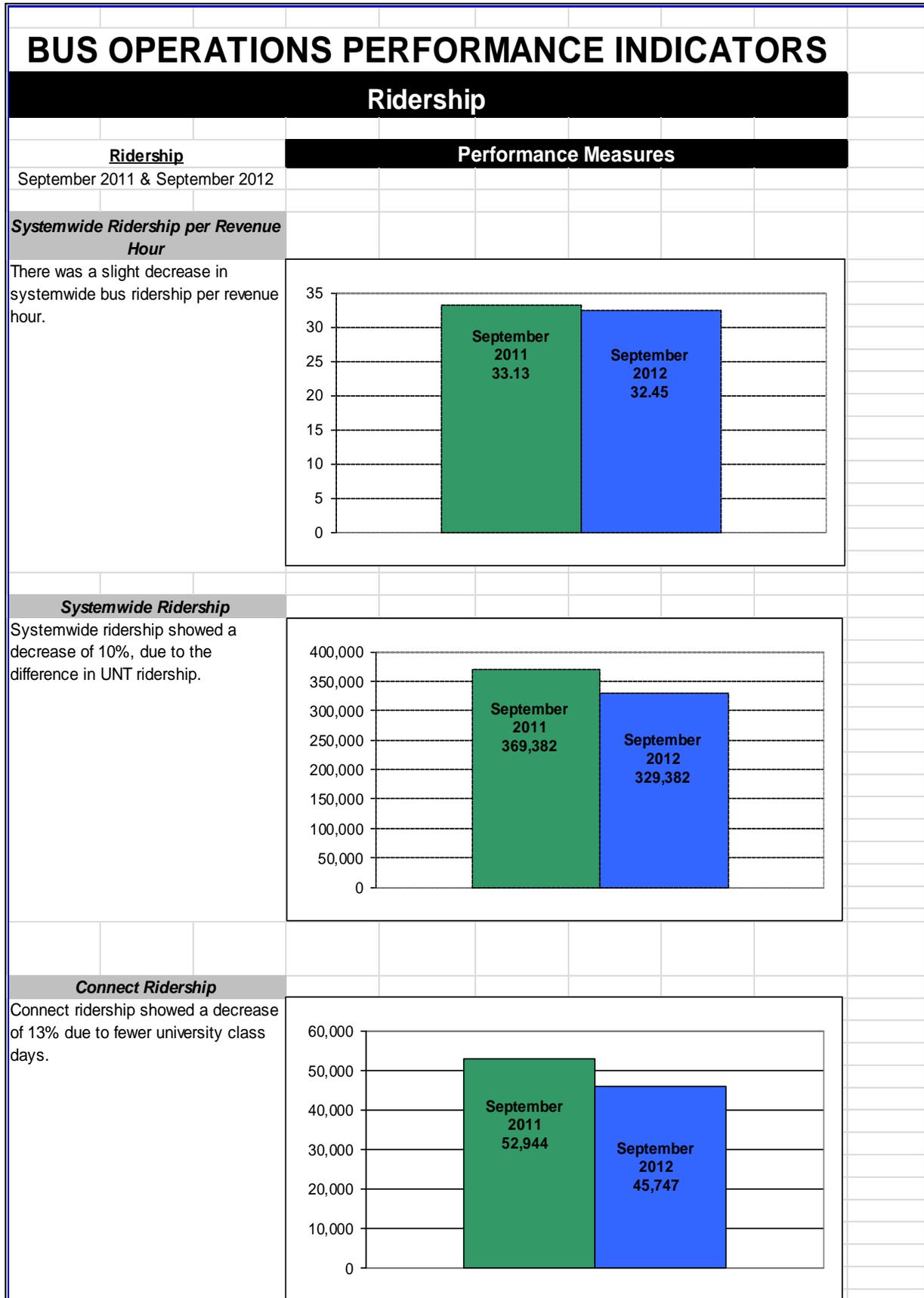
Service Level enhancement decisions will follow annual Decision Cycle framework

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model to identify impact of current enhancement in future years.

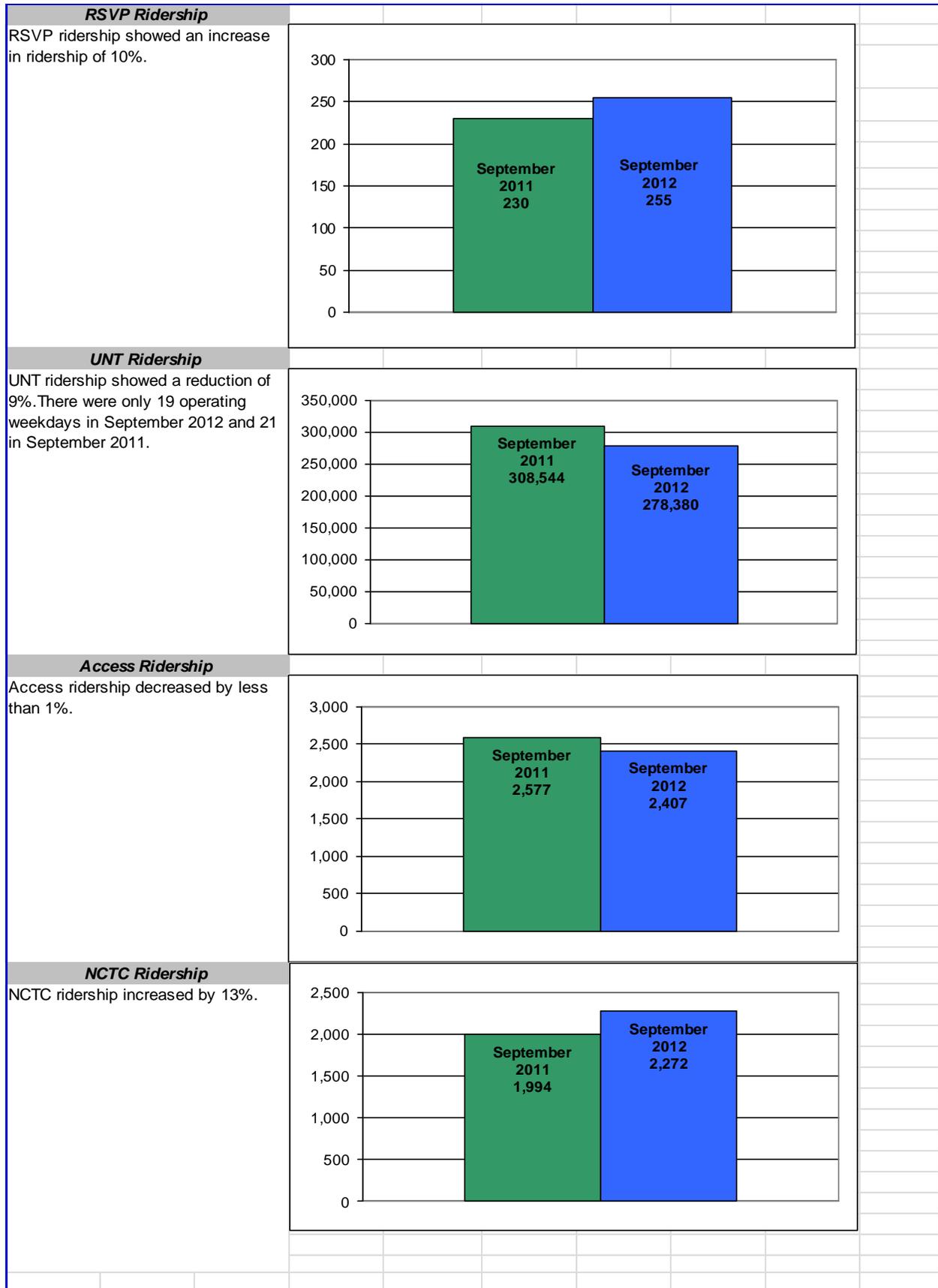
Implementation of Service Level Enhancements Contingency Budget item will require Board action and revision of annual budget.

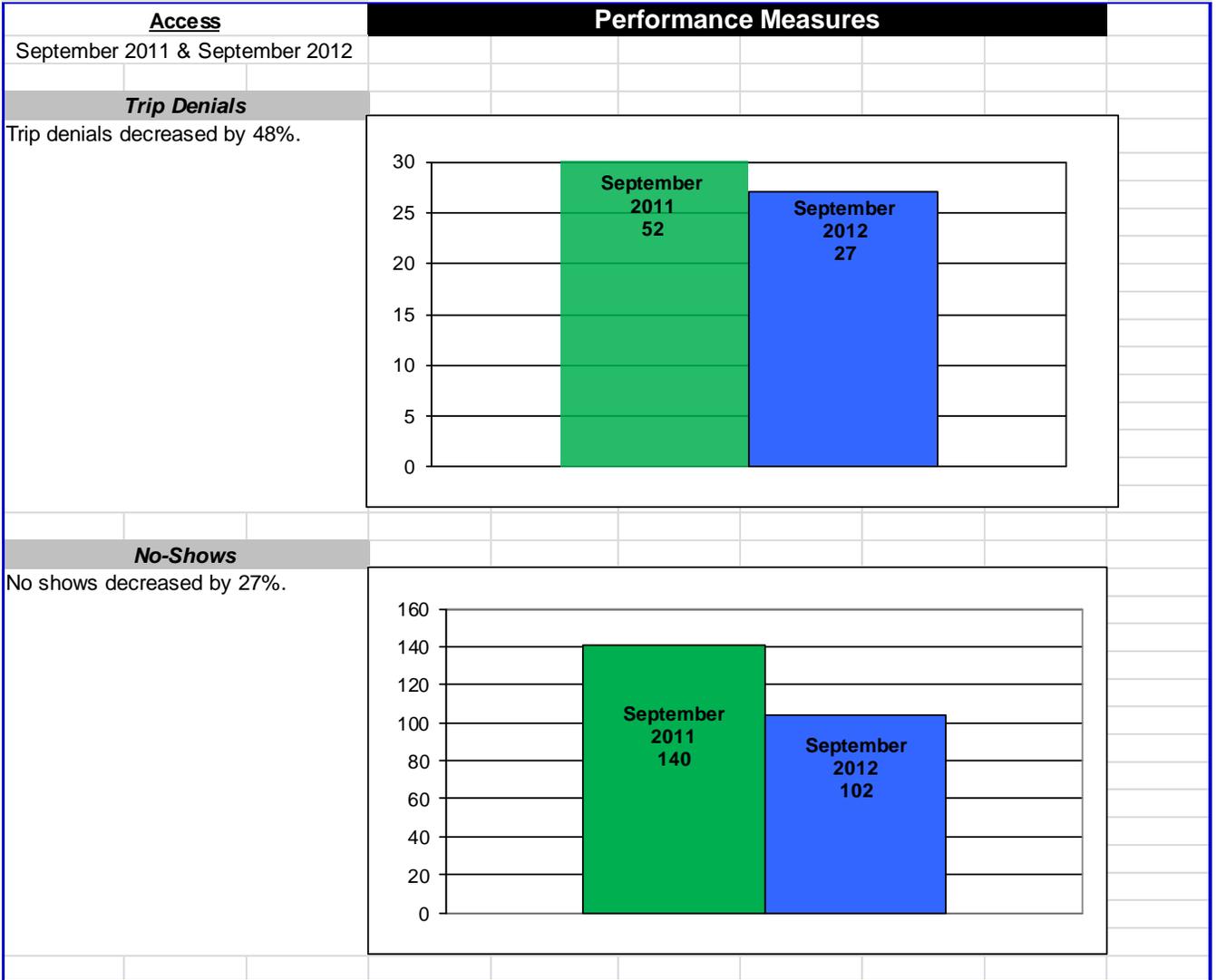
# Operational Statistics

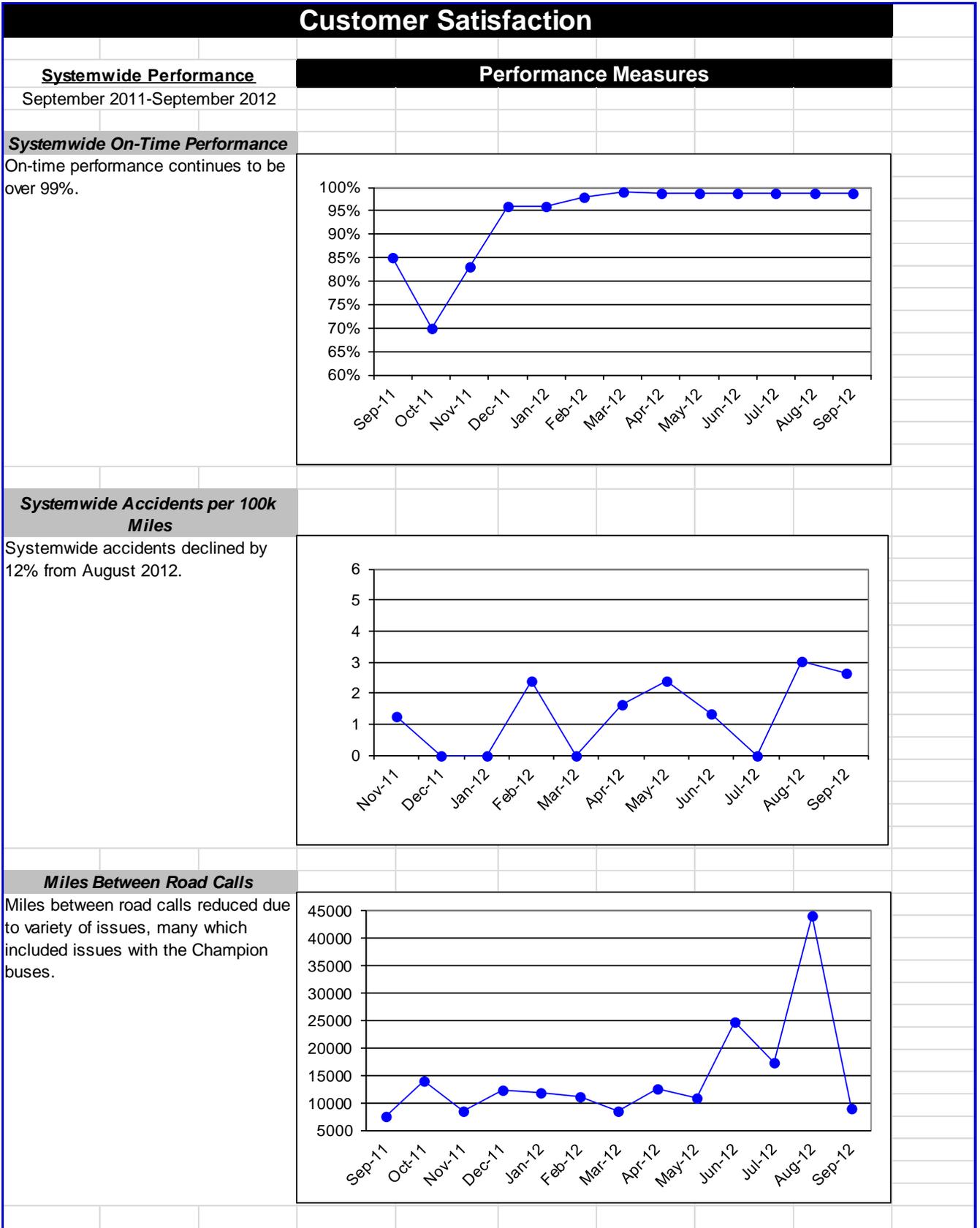
	FY 2010	FY 2011	FY 2012	FY 2012	FY 2013	% CHANGE FY12
	Actual	Actual	Budget	Actual	Budget	Actual v. FY13
						Budget
<b>PASSENGERS</b>						
A-train				387,478	398,550	2.9%
Access	43,157	32,556	34,764	29,020	31,541	8.7%
Station Shuttle	110,557	84,913	18,831	23,911		
Connect	347,744	414,493	365,483	500,542	655,095	30.9%
RSVP	1,574	2,317	2,280	2,766	2,280	-17.6%
UNT	1,826,762	1,879,187	1,879,478	2,018,009	2,067,424	2.4%
NCTC	9,038	14,436	8,381	14,545	8,381	-42.4%
<b>TOTAL PASSENGERS</b>	<b>2,338,832</b>	<b>2,427,902</b>	<b>2,309,217</b>	<b>2,976,271</b>	<b>3,163,271</b>	<b>6.3%</b>
<b>REVENUE VEHICLE MILES</b>						
A-train				244,783	298,746	22.0%
Access	335,812	227,359	258,202	221,474	219,278	-1.0%
Station Shuttle	233,498	176,204	55,091	64,248		
Connect	582,763	564,243	598,031	612,982	676,717	10.4%
RSVP	9,071	13,830	12,800	23,132	12,950	-44.0%
UNT	561,355	552,020	564,410	547,781	584,103	6.6%
NCTC	58,803	50,980	60,160	49,181	60,865	23.8%
<b>TOTAL REVENUE MILES</b>	<b>1,781,302</b>	<b>1,584,636</b>	<b>1,548,694</b>	<b>1,763,581</b>	<b>1,852,659</b>	<b>5.1%</b>
<b>REVENUE HOURS</b>						
A-train				10,005	10,923	9.18%
Access	23,975	16,668	17,435	15,399	16,579	7.66%
Commuter Express	8,686	6,155	2,260	1,809		
Connect	39,572	39,106	40,765	42,989	50,597	17.70%
RSVP	1,561	1,595	1,577	1,576	1,595	1.21%
UNT	50,234	49,316	50,442	49,340	45,965	-6.84%
NCTC	2,287	2,210	2,668	2,235	2,698	20.72%
<b>TOTAL REVENUE HOURS</b>	<b>126,315</b>	<b>115,050</b>	<b>115,147</b>	<b>123,353</b>	<b>128,357</b>	<b>4.06%</b>
<b>PASSENGERS PER REVENUE HOUR</b>						
A-train				38.72	36.49	-5.77%
Access	1.80	1.95	1.99	1.88	1.90	1.20%
Commuter Express	12.73	13.80	8.33	13.22		
Connect	8.79	10.60	8.97	11.64	12.95	11.20%
RSVP	1.01	1.45	1.45	1.76	1.43	-18.55%
UNT	36.37	38.11	37.26	40.90	44.98	9.97%
NCTC	3.95	6.53	3.14	6.51	3.11	-52.27%
<b>AVERAGE</b>	<b>10.77</b>	<b>12.07</b>	<b>10.19</b>	<b>12.65</b>	<b>16.81</b>	<b>32.9%</b>
<b>COST PER REVENUE HOUR</b>						
A-train				\$1,019.00	\$778.65	-23.59%
Access	\$ 61.53	\$ 77.94	\$ 79.58	\$ 80.50	\$ 64.67	-19.66%
Commuter Express	81.00	88.72	43.95	54.91		
Connect	52.38	60.44	65.71	74.83	64.75	-13.47%
RSVP	53.81	63.05	60.10	69.70	60.68	-12.95%
UNT	46.76	55.44	70.43	79.83	67.48	-15.47%
NCTC	53.93	61.28	84.74	90.95	67.00	-26.33%
<b>AVERAGE</b>	<b>\$ 58.24</b>	<b>\$ 67.81</b>	<b>\$ 67.42</b>	<b>\$ 209.96</b>	<b>\$183.87</b>	<b>-12.4%</b>
<b>COST PER PASSENGER</b>						
A-train				19.75	27.62	39.85%
Access	\$ 34.18	\$ 39.91	\$ 39.91	\$ 47.70	\$ 33.99	-28.74%
Commuter Express	6.36	6.54	5.27	4.37		
Connect	5.96	5.85	7.33	6.34	5.00	-21.12%
RSVP	53.38	44.23	41.57	37.73	42.45	12.50%
UNT	1.29	1.74	1.89	1.98	1.50	-24.23%
NCTC	13.64	11.48	26.97	19.70	21.57	9.49%
<b>AVERAGE</b>	<b>\$ 19.14</b>	<b>\$ 18.29</b>	<b>\$ 20.49</b>	<b>\$ 19.64</b>	<b>\$ 20.90</b>	<b>6.4%</b>
<b>FARE REVENUE PER PASSENGER</b>						
A-train				\$1.48	\$1.53	3.38%
Access	\$ 2.47	\$ 2.59	\$ 2.64	\$ 2.98	\$ 2.61	-12.25%
Commuter Express	1.71	1.43	1.07	0.23		
Connect	0.58	0.72	0.67	0.70	0.59	-16.20%
RSVP	1.23	1.53	1.50	1.15	1.50	30.43%
UNT	1.23	1.49	1.50	1.37	1.36	-0.82%
NCTC	13.51	8.88	17.23	10.23	17.06	66.73%
<b>AVERAGE</b>	<b>\$ 3.46</b>	<b>\$ 2.77</b>	<b>\$ 4.10</b>	<b>\$ 2.78</b>	<b>\$ 4.11</b>	<b>47.9%</b>
<b>FAREBOX RECOVERY RATIO</b>						
A-train				7%	7%	0%
Access	7%	7%	7%	5%	8%	60%
Commuter Express	27%	22%	20%	5%		
Connect	10%	12%	9%	13%	12%	-8%
RSVP	2%	3%	4%	2%	4%	100%
UNT	96%	92%	79%	79%	91%	15%
NCTC	99%	80%	64%	44%	79%	80%
<b>AVERAGE</b>	<b>40%</b>	<b>36%</b>	<b>38%</b>	<b>22%</b>	<b>34%</b>	<b>51%</b>

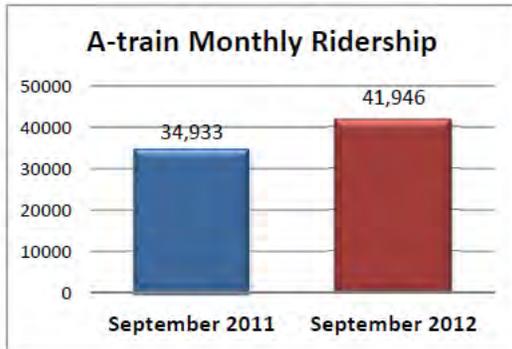


Operational Statistics – Bus

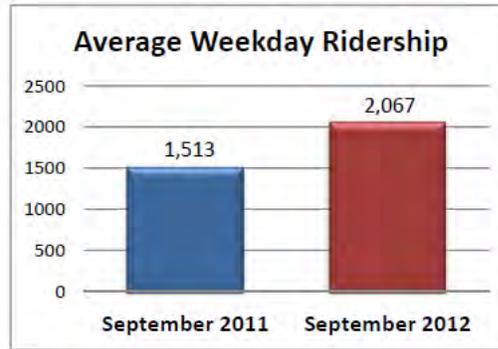




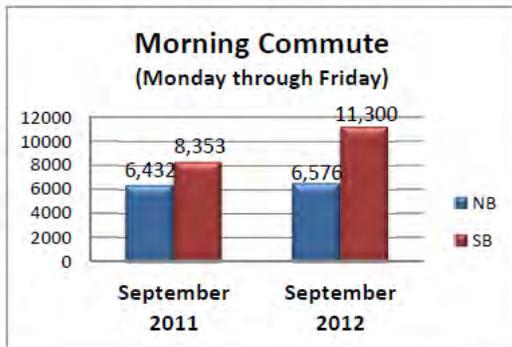




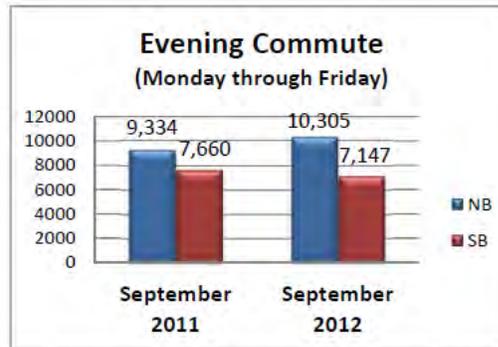
The A-train moved 41,946 passengers during the month of September, a 20% increase over September 2011.



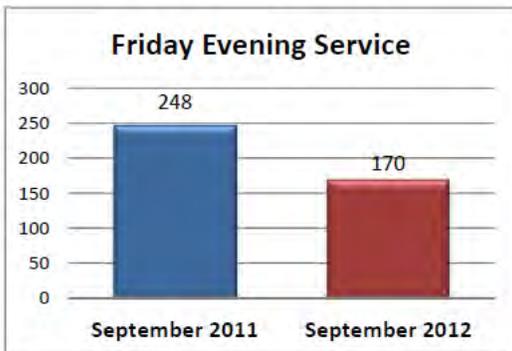
The average daily A-train ridership for the month of September was 2,067 passengers per day, an increase of 37% over September 2011.



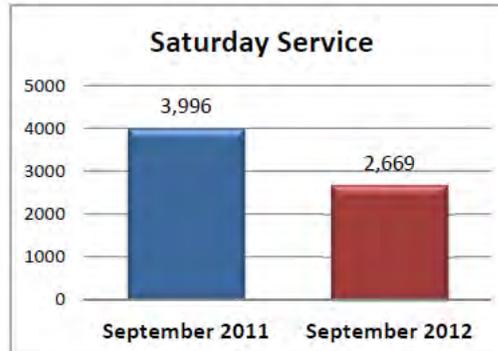
Morning commute ridership increased by 2% for northbound and 35% for southbound, compared to September 2011.



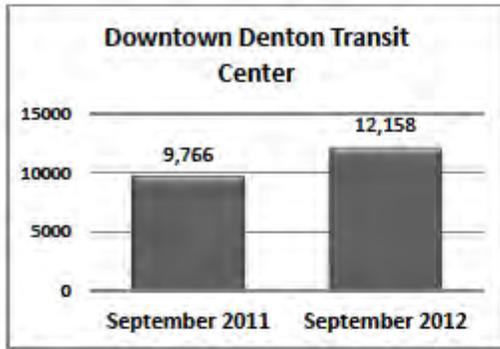
Evening commute ridership increased by 10% for northbound, but decreased 7% for southbound, compared to September 2011.



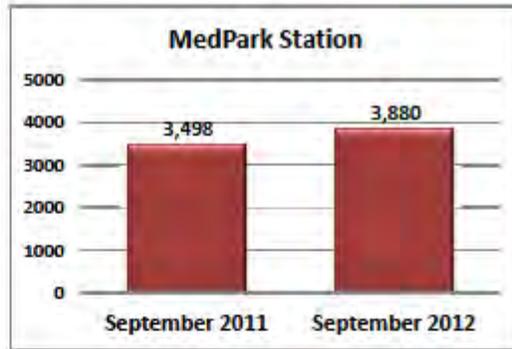
Friday evening service experienced a decrease of 31% in ridership for the month of September 2012, compared to September 2011.



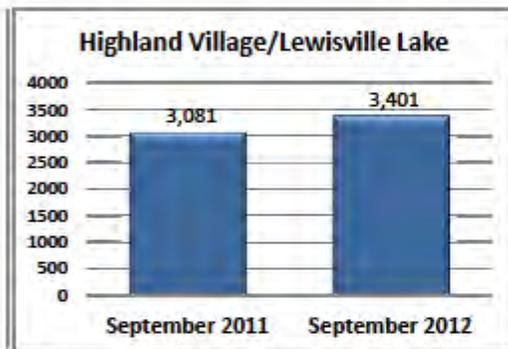
Saturday ridership decreased by 33% for the month of September 2012, compared to the September 2011.



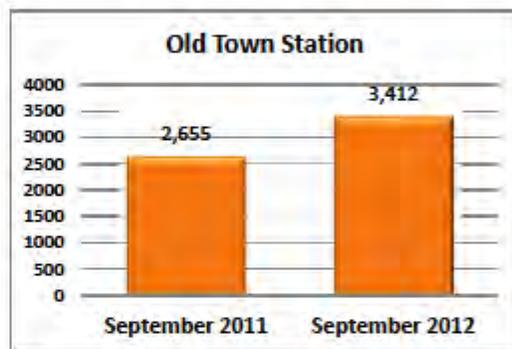
DDTC A-train ridership increased by 24%.



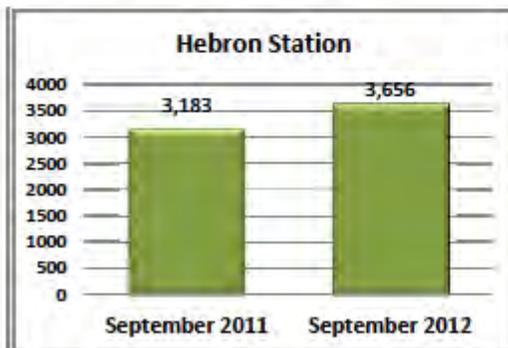
MedPark A-train ridership increased by 11%.



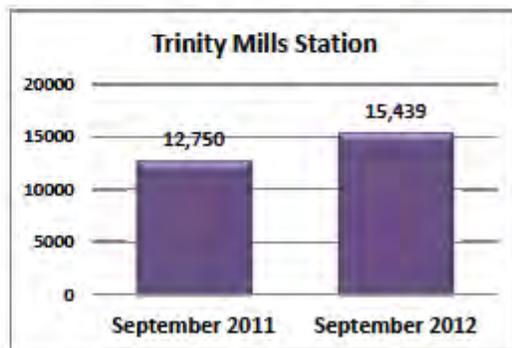
Highland Village/Lewisville Lake A-train ridership increased by 10%.



Old Town A-train ridership increased by 29%.

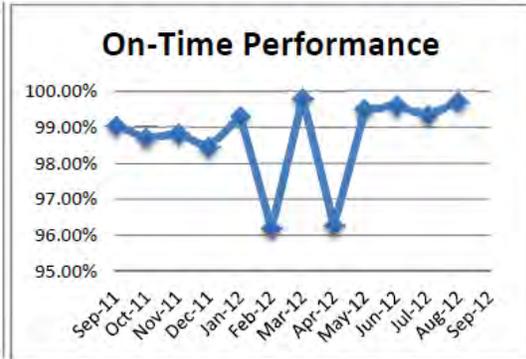


Hebron A-train ridership increased by 15%.

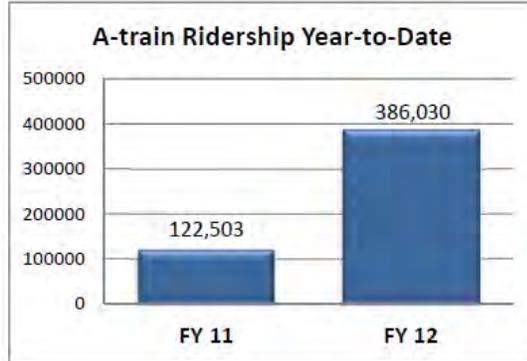


Trinity Mills A-train ridership increased by 21%.

Monthly Service Performance Report  
Fiscal Year 2012



A-train On-Time Performance (OTP) is a direct reflection of service and equipment reliability.



## 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

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

**DENTON COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 12-05**

**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 2012 - 2013, BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013; 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 2012 - 2013; ADOPTING THE DCTA CASH FLOW MODEL; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

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

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

**WHEREAS**, after consideration, it is the consensus of the DCTA Board of Directors that the proposed FY 2012 - 2013 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 2012 - 2013, the Budget Contingency Plan FY 2012 - 2013, 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.

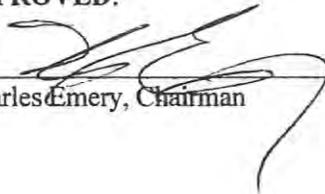
**SECTION 2.** That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2011-2012 are hereby ratified, and the budget for fiscal year 2011-2012, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

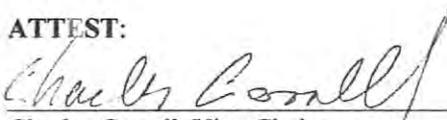
**SECTION 4.** That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

**DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 27<sup>TH</sup> DAY OF SEPTEMBER, 2012.**

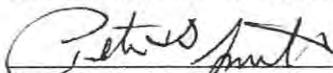
**APPROVED:**

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

**ATTEST:**

  
\_\_\_\_\_  
Charles Correll, Vice-Chairman

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Peter G. Smith, General Counsel  
(PGS:09-19-12:57368)

# Resolution Adopting FY 2013 Operating & Capital Budget

## Denton County Transportation Authority Proposed Fiscal Year 2013 Budget as of September 27, 2012

Description	FY11 Actuals	FY12 Original Budget	FY12 Revised Budget	Actuals as of June 30, 2012	FY13 Proposed Budget	% Increase / (Decrease)
<b>Revenue &amp; Other Income</b>						
Passenger Revenues (Bus Farebox)	471,812	302,905	302,905	317,022	421,157	39%
Passenger Revenues (Rail Farebox)	194,684	1,263,412	570,367	415,517	609,783	7%
Contract Service Revenue	2,560,035	3,013,356	3,013,356	2,361,785	3,001,040	0%
<b>Total Revenue &amp; Other Income</b>	<b>3,226,532</b>	<b>4,579,674</b>	<b>3,886,628</b>	<b>3,094,324</b>	<b>4,031,980</b>	<b>4%</b>
<b>Operating Expenses</b>						
<b>GENERAL &amp; ADMINISTRATIVE</b>						
Salary, Wages and Benefits	1,364,508	1,764,299	1,763,240	1,346,785	1,735,489	-2%
Services	1,197,734	919,654	1,201,854	607,800	936,632	-22%
Materials and Supplies	161,148	96,450	96,450	79,584	74,960	-22%
Utilities	9,562	10,800	10,800	12,058	14,400	33%
Insurance, Casualties and Losses	6,805	7,284	7,284	4,917	9,588	32%
Purchased Transportation Services	-	-	-	-	-	0%
Miscellaneous	147,498	136,078	137,203	71,562	152,490	11%
Leases and Rentals	167,731	164,400	164,400	143,093	152,229	-7%
Depreciation	2,212,260	22,338	2,174	(2,352,918)	-	-100%
Subtotal - G&A	5,267,245	3,121,303	3,383,405	(87,119)	3,075,788	-9%
<b>BUS SERVICES</b>						
Salary, Wages and Benefits	4,387,833	5,054,639	4,913,939	3,550,360	5,292,312	8%
Services	362,075	373,980	355,284	213,791	310,820	-13%
Materials and Supplies	1,694,534	2,043,911	1,976,911	1,305,780	1,819,380	-8%
Utilities	79,341	106,900	106,900	60,507	87,940	-18%
Insurance, Casualties and Losses	291,189	354,456	354,456	231,892	301,144	-15%
Purchased Transportation Services	-	-	-	-	-	0%
Miscellaneous	1,471	2,220	2,320	1,349	3,000	29%
Leases and Rentals	123,205	102,900	114,950	94,033	119,101	4%
Depreciation	929,071	1,222,394	945,201	715,639	939,143	-1%
Subtotal - Bus Services	7,868,720	9,261,400	8,769,960	6,173,351	8,872,840	1%
<b>RAIL SERVICES</b>						
Salary, Wages and Benefits	-	-	-	-	183,424	N/A
Services	129,068	101,340	125,471	109,872	141,000	12%
Materials and Supplies	451,098	1,296,638	1,296,638	728,283	1,600,000	23%
Utilities	86,251	183,473	305,215	209,851	270,400	-11%
Insurance, Casualties and Losses	-	110,000	110,000	23,792	234,000	113%
Purchased Transportation Services	5,537,662	7,544,845	7,597,897	5,311,583	8,430,186	11%
Miscellaneous	-	-	-	-	-	0%
Leases and Rentals	305,300	769,630	769,630	494,285	150,000	-81%
Depreciation	-	3,387,639	5,735,615	6,491,124	8,381,300	46%
Subtotal - Rail Services	6,509,380	13,393,565	15,940,466	13,368,790	19,390,310	22%
<b>Total Operating Expenses</b>	<b>19,645,344</b>	<b>25,776,268</b>	<b>28,093,831</b>	<b>19,455,022</b>	<b>31,338,938</b>	<b>12%</b>
<b>Income Before Non-operating Revenue &amp; Exp</b>	<b>(16,418,813)</b>	<b>(21,196,595)</b>	<b>(24,207,203)</b>	<b>(16,360,698)</b>	<b>(27,306,958)</b>	
<b>Non-Operating Revenues / (Expense)</b>						
Investment Income	110,472	48,000	48,000	44,088	36,000	-25%
Misc Income	183,598	62,000	62,000	25,689	-	-100%
Non-Operating Revenues / (Expense)	(184,095)	-	-	(85,655)	-	0%
RTRFI Funding	77,661,498	5,665,471	6,184,749	6,184,749	-	-100%
Sales Tax Revenue	17,135,359	16,909,740	17,579,537	12,465,625	18,775,391	7%
Federal/State Grants & Reimbursements - Operating	2,383,209	2,772,921	3,131,399	2,057,625	2,780,235	-11%
Federal/State Grants & Reimbursements - Capital	3,305,477	1,573,426	3,281,104	1,224,208	7,467,865	128%
Debt Issuance	14,305,000	-	-	-	13,400,000	N/A
Long Term Debt Interest/Expense	(208,430)	(1,283,919)	(1,484,379)	(1,122,449)	(2,168,920)	46%
<b>Total Non-Operating Revenue / (Expense)</b>	<b>114,692,088</b>	<b>25,747,639</b>	<b>28,802,410</b>	<b>20,793,880</b>	<b>40,290,571</b>	<b>40%</b>
<b>NET INCOME</b>	<b>98,273,275</b>	<b>4,551,044</b>	<b>4,595,207</b>		<b>12,983,613</b>	

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Resolution Adopting FY 2013 Operating & Capital Budget

DENTON COUNTY TRANSPORTATION AUTHORITY  
 Revenue Projections  
 Proposed Fiscal Year 2013 Budget  
 as of August 23, 2012

Revenue Projections

Revenue Source	Actual FY 2010		Actual FY 2011		Budget FY 2012		Proposed FY 2013	
	Oct 09 - Sept 10	Oct 10 - Sept 11	Oct 10 - Sept 11	Oct 11 - Sept 12	Oct 11 - Sept 12	Total	Total	
<b>BUS</b>								
Passenger Revenues								
Connect	164,729	264,057	190,979	338,681				
Access	93,972	84,192	91,777	82,475				
Commuter Express	189,104	123,231	20,149	-				
NCTC	122	332	-	-				
Contract Services								
Connect	40,000	40,000	59,000	49,000				
UNT	2,246,799	2,414,566	2,809,987	2,809,085				
Access	52,011	-	-	-				
NCTC	122,109	105,470	144,369	142,956				
<b>Total</b>	<b>\$ 2,908,846</b>	<b>\$ 3,031,848</b>	<b>\$ 3,316,262</b>	<b>\$ 3,422,197</b>				

Revenue Source	Actual FY 2010		Actual FY 2011		Budget FY 2012		Proposed FY 2013	
	Oct 09 - Sept 10	Oct 10 - Sept 11	Oct 10 - Sept 11	Oct 11 - Sept 12	Oct 11 - Sept 12	Total	Total	
<b>RAIL</b>								
Rail Farebox	-	\$ 194,684	\$ 570,367	\$ 609,783				
<b>Total</b>	<b>\$ -</b>	<b>\$ 194,684</b>	<b>\$ 570,367</b>	<b>\$ 609,783</b>				

Revenue Source	Actual FY 2010		Actual FY 2011		Budget FY 2012		Proposed FY 2013	
	Oct 09 - Sept 10	Oct 10 - Sept 11	Oct 10 - Sept 11	Oct 11 - Sept 12	Oct 11 - Sept 12	Total	Total	
<b>DCTA</b>								
Interest Income	\$ 102,615	\$ 110,472	\$ 48,000	\$ 36,000				
RTRFI Interest	-	-	-	-				
Misc. Revenue	132,193	183,574	62,000	-				
Sales Tax	16,188,072	17,135,359	17,579,537	18,775,391				
<b>Total</b>	<b>\$ 16,422,880</b>	<b>\$ 17,429,405</b>	<b>\$ 17,689,537</b>	<b>\$ 18,811,391</b>				

Revenue Source	Actual FY 2010		Actual FY 2011		Budget FY 2012		Proposed FY 2013	
	Oct 09 - Sept 10	Oct 10 - Sept 11	Oct 10 - Sept 11	Oct 11 - Sept 12	Oct 11 - Sept 12	Total	Total	
<b>GRANTS</b>								
Federal Operating Grants	\$ 1,249,340	\$ 2,248,138	\$ 3,023,249	\$ 2,665,503				
Federal Capital Grants	2,012,840	3,128,333	2,696,891	6,890,671				
State Operating Grants	170,109	135,071	108,150	114,732				
State Capital Grants	102,970,259	77,838,642	6,768,962	577,194				
<b>Total</b>	<b>\$ 106,402,548</b>	<b>\$ 83,350,184</b>	<b>\$ 12,597,252</b>	<b>\$ 10,248,100</b>				

Revenue Source	Actual FY 2010		Actual FY 2011		Budget FY 2012		Proposed FY 2013	
	Oct 09 - Sept 10	Oct 10 - Sept 11	Oct 10 - Sept 11	Oct 11 - Sept 12	Oct 11 - Sept 12	Total	Total	
<b>DCTA</b>								
New Debt Issuance (Series 2013)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,400,000	\$ 13,400,000	
<b>Total</b>	<b>\$ -</b>	<b>\$ 13,400,000</b>	<b>\$ 13,400,000</b>					

TOTAL REVENUES \$ 125,734,274 \$ 104,006,120 \$ 34,173,418 \$46,491,471

Resolution Adopting FY 2013 Operating & Capital Budget

Capital Improvement Plan

PROJECT NAME	Project Number	5 Year Capital Improvement Plan					LTD Expenses (June 2012)	Actuals FY09 - FY11	FY12	FY13	FY14	FY15	FY16	PROJECT TOTAL
		Original Project Budget	FY12 Approved Project Budget	Total Proposed Project Budget	FY12	FY13								
<b>BUS OPERATIONS</b>														
Passenger Amenities (Phase 2)	50202	174,011	229,326	229,326	134,631	133,799	95,527	-	-	-	-	-	229,326	
Bus O&M Facility	50301	8,142,667	11,720,717	11,720,717	2,040,774	1,867,910	105,868	8,269,062	1,378,177	-	-	-	11,720,717	
Bus Maintenance Equipment	50302	500,000	500,000	500,000	57,035	51,435	75,000	373,565	-	-	-	-	500,000	
Paratransit Scheduling Systems	50403	180,000	180,000	180,000	166,342	147,167	32,833	-	-	-	-	-	180,000	
Fleet Replacement	50502	1,968,500	3,136,993	3,136,993	2,567,132	2,587,132	549,861	-	1,973,773	-	-	-	5,110,766	
Where's My Ride	NEW	-	-	940,485	-	-	-	940,485	-	-	-	-	940,485	
Bus Operations Safety & Security Equipment	NEW	-	-	88,555	-	-	-	88,555	-	-	-	-	88,555	
DDTC	50303	373,282	373,282	373,282	-	-	-	373,282	-	-	-	-	373,282	
<b>Total Bus Capital Projects</b>														
		11,338,460	16,140,318	17,169,358	4,985,814	4,887,143	859,089	10,044,949	1,378,177	1,973,773	-	-	19,143,131	
<b>RAIL DEVELOPMENT</b>														
Rail Grinding	NEW			204,000				204,000					408,000	
Passenger Information	60701	56,214	56,214	56,214	4,807	-	28,714	27,500	-	-	-	-	56,214	
Rail Maintenance Equipment	61502	50,000	50,000	50,000	45,000	-	50,000	-	-	-	-	-	50,000	
ROW Fencing	NEW			25,000				25,000					25,000	
MedPark Extension	61206	1,000,000	1,000,000	1,000,000	-	-	-	1,000,000	-	-	-	-	1,000,000	
Fare Collection Systems	61401	589,000	733,105	733,105	633,129	633,129	99,976	-	-	-	-	-	733,105	
Traffic Signals	61403	2,480,000	3,046,177	3,046,177	2,640,516	2,769,262	276,925	-	-	-	-	-	3,046,177	
Positive Train Control	61406	16,997,441	16,997,441	16,997,441	751,308	239,172	3,002,070	9,508,758	4,247,441	-	-	-	16,997,441	
Rail Cars	61501	71,500,000	79,795,524	79,795,524	77,108,590	53,589,443	26,206,081	-	-	-	-	-	79,795,524	
Stadler Implementation	61603	-	895,803	895,803	316,033	-	895,803	-	-	-	-	-	895,803	
Professional Services	61601	26,200,000	24,267,165	24,267,165	24,439,240	24,104,908	162,257	-	-	-	-	-	24,267,165	
Community Enhancements	61707	752,708	752,708	752,708	13,091	13,091	140,000	599,617	-	-	-	-	752,708	
Lewisville Bike Trail	61708	3,489,396	3,489,396	3,489,396	60,685	60,685	-	86,250	741,520	2,600,941	-	-	3,489,396	
<b>Total Rail Capital Projects</b>														
		123,094,759	131,083,533	131,109,533	106,012,399	81,409,680	30,861,826	11,451,125	4,988,961	2,804,941	-	-	131,516,533	
<b>TOTAL CAPITAL PROJECTS BUDGET</b>														
		134,433,219	147,223,851	148,277,891	110,998,213	86,296,823	31,720,915	21,496,074	6,367,138	4,778,714	-	-	150,659,664	
<b>CAPITAL FUNDING SOURCES</b>														
<b>RTRFI FUNDING</b>														
FEDERAL / STATE GRANTS & REIMBURSEMENTS								7,467,865	593,216	2,080,753				
NEW DEBT ISSUANCE (PTC 2013)								9,508,758	3,891,242	-			13,400,000	
DCFTA FUNDING								4,519,451	1,882,680	2,697,961				
<b>TOTAL FY13 FUNDING SOURCES</b>														
								21,496,074	6,367,138	4,778,714				

DCTA Budget Contingency Plan  
FY2013

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

**Section I: Sales Tax Revenue Shortfall**

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

**Initial Precautionary Action**

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

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

**2% Reduction (\$375,508)**

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

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

**3% Reduction (\$563,262)**

- 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 (\$751,016)**

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

## **Section II: Sales Tax Revenue Sustainable Increase**

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

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

Increases in sales tax revenue may be utilized to fund:

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

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

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

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

Service Level enhancement decisions will follow annual Decision Cycle framework

Prior to implementation and adoption by Board, additional service level enhancements will be incorporated into long-range cash flow model to identify impact of current enhancement in future years.

Implementation of Service Level Enhancements Contingency Budget item will require Board action and revision of annual budget.

# Resolution Adopting Fiscal Year 2013 Operating and Capital Budget

Exhibit D

## Cash Flow Model (Proposed FY13 Budget)

	2011	2012	2013	2014	2015	2016	2017	TOTAL
<b>OPERATING REVENUES</b>								
Bus Operating Revenue	\$ 3,031,848	\$ 3,326,827	\$ 3,422,197	\$ 3,516,440	\$ 3,655,962	\$ 3,756,198	\$ 3,859,346	24,566,618
Rail Operating Revenue	\$ 194,684	\$ 574,015	\$ 609,783	\$ 640,272	\$ 710,702	\$ 717,809	\$ 724,987	4,172,252
<b>NON-OPERATING REVENUES</b>								
Sales Tax Revenue	17,135,359	17,913,422	18,775,391	19,526,407	20,307,463	21,119,761	21,964,552	136,742,355
Formula Grants (Operating)	2,105,742	3,131,399	2,780,235	3,595,978	3,209,806	2,851,328	2,908,355	20,582,844
Interest Income-Non RTRFI Funds	110,472	48,000	36,000	99,671	103,250	125,160	159,955	682,507
Misc. Revenue	200,888	62,000	-	155,332	152,680	152,680	152,680	876,260
Restricted RTRFI Interest Income	344,975	678,182	-	-	-	-	-	1,023,157
<b>Total Revenues</b>	<b>23,123,967</b>	<b>25,733,645</b>	<b>25,623,606</b>	<b>27,534,099</b>	<b>28,139,863</b>	<b>28,722,936</b>	<b>29,769,876</b>	<b>188,647,993</b>
<b>OPERATING EXPENSES</b>								
Bus Operating Expense	6,939,649	7,824,760	7,933,698	8,274,536	8,531,639	8,865,129	9,199,786	57,569,197
Rail Operating Expense	6,910,500	10,547,785	11,009,010	11,346,195	11,628,222	11,980,481	12,404,636	75,826,829
G&A Operating Expense	2,653,865	3,038,297	3,075,789	3,165,511	3,272,769	3,384,094	3,499,588	22,089,913
<b>NON-OPERATING EXPENSES</b>								
Non-Operating (Income) / Expense	(184,095)	-	-	-	-	-	-	(184,095)
<b>Total Expenses</b>	<b>16,319,919</b>	<b>21,410,842</b>	<b>22,018,497</b>	<b>22,786,242</b>	<b>23,432,630</b>	<b>24,229,703</b>	<b>25,104,011</b>	<b>155,301,844</b>
<b>NET INCOME</b>	<b>6,804,048</b>	<b>4,322,802</b>	<b>3,605,109</b>	<b>4,747,857</b>	<b>4,707,233</b>	<b>4,493,233</b>	<b>4,665,865</b>	<b>33,346,149</b>
<b>CAPITAL OUTLAY</b>								
Bus Capital Expenditure	598,287	309,228	9,104,464	1,378,177	-	-	-	11,390,156
Bus Replacement Expense	2,307,427	549,861	-	-	1,873,773	-	-	4,831,061
CM/GC Construction Phase	81,696,729	2,088,339	-	-	-	-	-	83,785,068
Professional Services	4,680,325	1,024,110	967,985	-	-	-	-	6,672,420
Stadler Fleet (Vehicles)	26,503,820	26,268,745	-	-	-	-	-	52,772,565
Real Estate	742,808	-	1,000,000	-	-	-	-	1,742,808
Right of Way	7,500,040	-	25,000	-	-	-	-	7,525,040
Rail Capital Expenditure (LV Hike & Bike)	60,685	-	86,250	741,520	2,600,941	-	-	3,489,396
Rail Capital Expenditure (Community Enhancements)	13,091	140,000	599,617	-	-	-	-	752,708
<b>Rail Capital Expenditure (Rail Grinding)</b>	<b>239,172</b>	<b>3,002,070</b>	<b>204,000</b>	<b>4,247,441</b>	<b>204,000</b>	<b>204,000</b>	<b>204,000</b>	<b>612,000</b>
Positive Train Control	124,342,384	33,382,353	21,496,074	6,367,138	4,778,714	-	204,000	16,967,441
<b>Total Capital Outlay</b>	<b>14,305,000</b>	<b>6,184,749</b>	<b>13,400,000</b>	<b>12,458,838</b>	<b>10,324,987</b>	<b>10,429,977</b>	<b>11,425,387</b>	<b>27,705,000</b>
<b>CAPITAL SOURCES</b>								
New Money (Debt Issuance)	77,681,498	3,281,104	7,467,865	2,511,738	3,756,071	96,300	96,300	83,846,247
RTRFI Funds	3,405,800	9,465,853	20,867,865	2,511,738	3,756,071	96,300	96,300	20,615,178
Formula Grants (Capital)	95,372,298	9,465,853	20,867,865	2,511,738	3,756,071	96,300	96,300	132,166,425
<b>Total Capital Sources</b>	<b>177,459,596</b>	<b>22,458,795</b>	<b>49,143,535</b>	<b>7,535,274</b>	<b>10,269,915</b>	<b>192,900</b>	<b>192,900</b>	<b>204,727,150</b>
<b>DEBT SERVICE</b>								
2008 Issue (ST) Debt Service	833,512	833,511	1,718,511	1,718,200	1,716,492	1,718,387	1,713,887	10,252,300
2009 Refunding (ST) Debt Service	-	-	-	-	-	-	-	-
2011 Contractual Obligations (Vehicles)	-	336,945	336,945	336,945	751,945	763,955	770,183	3,296,918
2011 Contractual Obligations (PTC)	-	113,463	113,463	113,463	253,463	254,081	259,542	1,107,475
2013 Contractual Obligations (PTC)	-	-	-	857,700	857,700	857,700	857,700	4,130,800
<b>Total Debt Service</b>	<b>833,512</b>	<b>1,283,919</b>	<b>2,168,919</b>	<b>3,026,308</b>	<b>3,579,600</b>	<b>3,594,123</b>	<b>3,601,112</b>	<b>18,087,493</b>
Gross Sales Tax Coverage:	20,56	13,95	8,66	6,45	5,67	5,88	6,10	-
Internal Debt Service Coverage:	8.16	3.37	1.66	1.57	1.32	1.25	1.30	-
Beginning Fund Balance:	\$ 55,528,022	\$ 32,528,473	\$ 11,650,856	\$ 12,458,838	\$ 10,324,987	\$ 10,429,977	\$ 11,425,387	-
Year End Audit Adjustment	-	-	-	-	-	-	-	-
<b>Ending Fund Balance:</b>	<b>32,528,473</b>	<b>11,650,856</b>	<b>12,458,838</b>	<b>10,324,987</b>	<b>10,429,977</b>	<b>11,425,387</b>	<b>12,382,440</b>	-
Less Restricted RTRFI Interest Income	-	-	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	4,079,980	5,197,803	5,504,624	5,696,561	5,858,158	6,057,426	6,276,003	-
Less Sales Tax Stabilization Fund	-	550,000	585,792.20	609,223.89	609,223.89	633,592.84	658,936.56	-
Less Fuel Stabilization Fund	-	100,000	100,000	100,000	100,000	100,000	100,000	-
<b>Less Capital/Infrastructure</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>1,796,000</b>	<b>14,072,000</b>
<b>Net Available Cash</b>	<b>28,448,493</b>	<b>6,453,053</b>	<b>4,508,214</b>	<b>1,942,634</b>	<b>1,862,596</b>	<b>2,634,368</b>	<b>3,347,501</b>	<b>1,000,000</b>

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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 or other consideration exchanged for property or services.

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

## Glossary cont.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Reserves** – Funds set aside for economic uncertainties.

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

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

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

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

*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 ART BY DAVID SHAW  
GRAPHIC DESIGN BY AMBER ROAD DESIGN