

DENTON COUNTY TRANSPORTATION AUTHORITY

LEWISVILLE, TX



OPERATING & CAPITAL BUDGET | FY 2014

Denton County Transportation Authority
2013-14 Operating & Capital Budget

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

OUR VISION

Be a leader in advancing public transportation alternatives.

OUR MISSION

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

OUR UNITY STATEMENT

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

OUR CORE VALUES

- **Accountability**

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

- **Commitment**

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

- **Excellence**

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

- **Integrity**

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

- **Respect**

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

- **Safety**

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

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, 2012

Christopher P. Morill *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, 2012. 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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GoPassSM

Paper tickets are so yesterday. In September 2014, the GoPassSM mobile ticketing app became the new way for customers of the regions three transit agencies DCTA, DART and the Fort Worth "T" to buy passes. The three agencies are among the first in the country to offer a regional mobile ticketing solution.

Passengers can now download and register the free app to avoid lines and other delays ensuring a quicker boarding process. Passengers can carry their passes digitally on smartphones. Passes or a block of passes may be purchased up to 60 days in advance of using them. The pass must be activated from a digital wallet prior to boarding and presented to the bus operator or fare enforcement officer.

Through the GoPassSM app customers can also access rider alerts, schedule information, check real-time bus and train arrivals, and find information about transit-accessible activities and events in the region.



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

Dear Chairman and Members of the Board:

We are pleased to present to you the fiscal year 2014 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 unrestricted net assets fully covering operating and capital requirements for the fiscal year and supporting the cash flow model for the next five years.

The 2014 fiscal year represents a focus on improving service delivery via new and enhanced technology and facilities improvements. The FY14 Budget reflects entry into the third full year of operation for the A-train, DCTA's passenger commuter rail service. The addition of the A-train service has been a major step forward in providing an integrated public transportation service for Denton County. This budget includes funding for additional service hours for both rail and fixed route bus service in Lewisville and Denton. 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:

Vision: To be a leader in advancing public transportation alternatives

Mission: 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 December 2011 as part of DCTA's Long Range Service Plan. These goals reinforce excellence and guide the agency to:

- 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.

- 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 2013, the year just completed, was no exception. Those accomplishments are detailed on page 30 of this budget document.

The budget process is structured to allow staff, the Finance Committee and the Board of Directors adequate time for review and analysis of the key components of the budget. In February 2013 at its planning retreat the Board reviewed the five-year cash flow model and discussed recommended service enhancements, changes and potential capital projects, consistent with Board goals. These served as the foundation for the development of the FY14 Budget. The staff then began the budget process in March/April with the development of department objectives and performance measures that supported the Board goals and incorporated guidance from the Board planning retreat. After further refining all revenue sources available to the agency for FY2014, staff began the development of the operating budget. . Another key step in creating the FY 2014 budget was completing the five-year capital plan and identifying the operating impact of that capital plan. In meetings held May through August, components of the proposed budget were presented in detail to the Finance Committee for review and deliberation. The Program Services Committee met to recommend additional service enhancements and forwarded its recommendation the Finance Committee. Both the Finance Committee and the Program Services committee are comprised of members of the DCTA Board of Directors and appointed by the Board Chairman. The Finance Committee forwarded a proposed budget to the full Board at its August meeting for Board review and public comment. The Board adopted the FY14 Budget and the updated Cash Flow Model at its September 2013 meeting.

BUDGET SUMMARY

The development of any budget is challenging because the need and demand for services is great and outweighs the available resources. Economic and market conditions have continued to show improvement over the last year, state-wide and in the North Texas region. The diversity and growth in the Texas economic base has been reflected in the steady improvement of DCTA's primary revenue source – sales tax. With that as the background, revenue projections included in this budget and the long-range financial model reflect a steady, but conservative growth in sales tax. The continuing challenge for DCTA is to position itself to be able to weather the impact of any future economic downturns while at the same time, balancing the demand for increased passenger rail and bus services.

With the award of a contract for the construction of a bus operations and maintenance facility November of 2012, DCTA continues to invest in assets to improve customer service delivery. The completion of this facility is scheduled in January 2014. A detailed narrative of the components that build the FY14 budget is

Budget Message cont.

provided on pages 38-42 of this document. Following is a brief summary:

Revenues for FY2014 are projected at just slightly over \$38 million, a decrease of \$9.2 million (or 20%) compared to the FY13 revised budget amount of \$47.2 million. Federal grant reimbursements for FY14 total \$6.5 million. This budget anticipates \$7 million in total Federal and State grant reimbursements. This is a decrease in Federal grants of \$3.7 million compared to FY13. The is primarily due to the completion of projects funded by American Recovery and Reinvestments Act (ARRA) funds, which included the acquisition of equipment for the bus operations and maintenance facility. In 2010 DCTA received \$4.1 million in ARRA funds and 2013 saw the final reimbursement for projects receiving ARRA funding. FY14 also includes a new money debt issuance of \$5.5 million anticipated for the funding of the Positive Train Control project.

A major revenue source for DCTA is sales tax. It accounts for 54.5% of FY14 revenues. Although there have been uncertain economic conditions and market fluctuations at the national level, the state of Texas and the North Texas region have experienced less of this volatility when compared to other regions. DCTA saw an increase of 6.3% in sales tax receipts between FY12 and FY13. Sales tax for FY14 is budgeted at \$20.73 million, a 3% increase over the forecast for FY13. In late July during the FY14 budget process, DCTA forecast to end FY13 at \$20.12 million in sales tax. This forecast for FY13 was also incorporated into the cash flow model. The FY13 forecast was used since it reflected the most current sales tax allocations and tracks well with historic trends and recent performance.

The expense portion of the budget includes operating and capital. Total budgeted expenses (including depreciation) are \$46.7.0 million for the FY14 budget. Expenses, including transfer to Capital Projects, total \$46.7 million. An additional \$8.6 million will be utilized from unrestricted net assets.

The rail vehicle capital project was completed in FY13 with acceptance of the last rail vehicle in mid-2013. State grant reimbursements in FY14 include the capital projects for community enhancements and a hike and bike trail in Lewisville. Capital comprises 22% of the total. Operating expenses total \$34.1 million and reflects an increase of \$1.6 million or 5 % over FY13 revised. The major increases in the expenditure portion of the budget are due an increase of \$1.1 million in salaries/wages and fringe benefits due to additional 3.5 FTE's and merit pay approved for FY14. In addition there is a \$901,179 increase in Purchased Transportation for A-train operations. Following is summary of changes:

- \$9.3 million is budgeted for Purchased Transportation for contracted service for train operations, dispatch and related maintenance service for the A-train. This is an 11% increase over last year and reflects the third full year of rail operations. In FY14 additional funding was allocated for service hours added for mid-day service beginning January of 2014, Maintenance of Way over 25 feet and Maintenance of Equipment of help insure a state of good repair.

Budget Message cont.

- \$252,815 decrease in Leases and Rentals reflects the return of the final Rail Diesel Cars (RDC) leased from DART as well as the move from leased bus operations and maintenance facilities to the new DCTA facility.
- Reserve Funds include \$6.3 million three month operating reserve; Fuel Stabilization and Sales Tax Stabilization reserves were funded at \$50,000 and \$621,760 respectively; \$2 million for Capital/Infrastructure Reserve Fund
- Five (5) Expanded Level Projects are approved in the FY14 budget including additional mid-day rail service hours to add 2 trains per weekday effective January 2014; expanded Connect Bus Service for Routes 1 & 6 in Denton and Routes 21,22 & 23 Lewisville; 3.5 additional staff including IT support, customer service rep, a bus operations supervisor, and an administrative assistant moving from part time to full time; DBE grant compliance software; and enhanced marketing for an I-35 Construction communication campaign. Fuel is budgeted at \$4.15 per gallon and also includes the additional fuel for the new mid-day service for the A-train and additional hours of bus revenue service.
- An increase of \$92,232 in annual debt service expense for principal and interest payments for the 2009 refunding, 2011 new money issuance, and \$5.5 million in anticipated debt issuance for Positive Train Control.
- An increase of 10% for DCTA and 15% for TMDC in health care benefits based on anticipated increase in costs, resulting in an \$116,000 increase over revised FY13.
- 3.5% merit pay (pay for performance for DCTA employees) is included in this budget as well as a 3% merit pay and 3% cost of living adjustment for TMDC admin and maintenance staff and an increase for bus operations based on the negotiated union contract. \$25,000 is also budgeted for a market range adjustment; and a one-time lump sum payment of \$80,000 to achieve a 95% funded ratio in the TCDRS employee retirement plan.

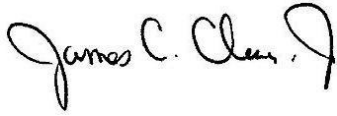
The focus for FY14 continues to be on service delivery, operations and improving the customer experience. At the same time DCTA will continue to maintain the agency's investment in equipment and infrastructure. Preparing a five-year capital plan allows the agency to anticipate the major capital improvements needed in subsequent years and allows staff to identify alternative funding sources as well as projected operating impact well in advance. DCTA anticipates spending \$10.2 million in capital projects in FY14, which is a \$6.5 million decrease over the FY13 budget. Of the total planned for capital projects, \$7.8 million is related to rail services and \$2.4 million for bus services. The bus capital project component includes \$1.4 million for the completion of the bus operations and maintenance facility and \$878 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 \$6 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

Budget Message cont.

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
Senior V-P Finance/CFO

Board of Directors

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



Board Chairman
Charles Emery
City of Lewisville



Board Vice-Chairman
Paul Pomeroy
City of Highland Village



Board Secretary
Richard Huckaby
City of The Colony



Board Treasurer
Dave Kovatch
Denton County At Large



Board Member
George A. Campbell
Denton County Unincorporated



Board Member
Skip Kalb
Small Cities



Board Member
Daniel Peugh
City of Corinth



Board Member
Doug Peach
City of Little Elm



Board Member
Allen Harris
City of The Colony



Board Member
Jim Robertson
City of Flower Mound



Board Member
Don Hartman
Denton County Unincorporated

Picture Not
Available

Board Member
Carter Wilson
City of Frisco

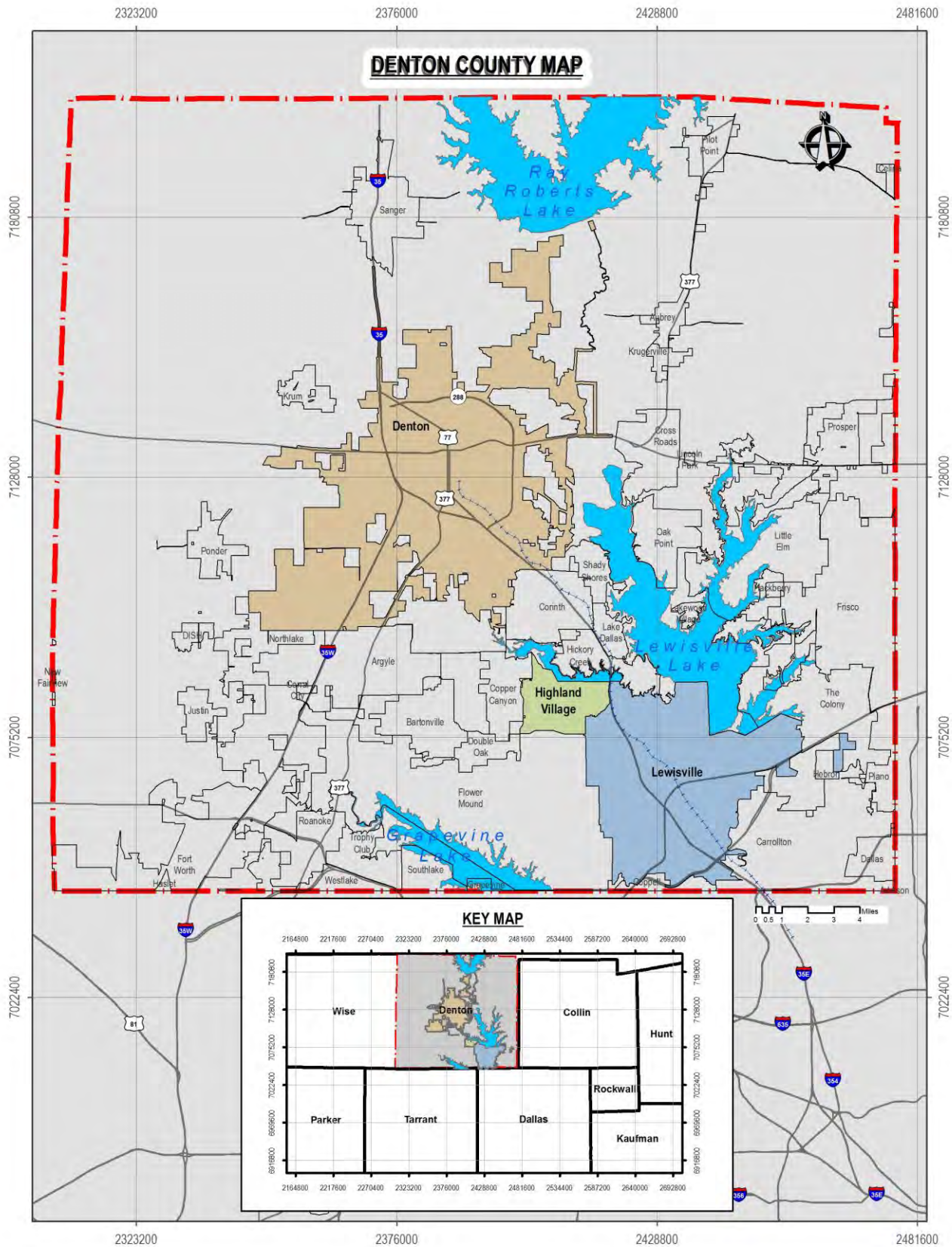


Board Member
Bill Walker
Small Cities

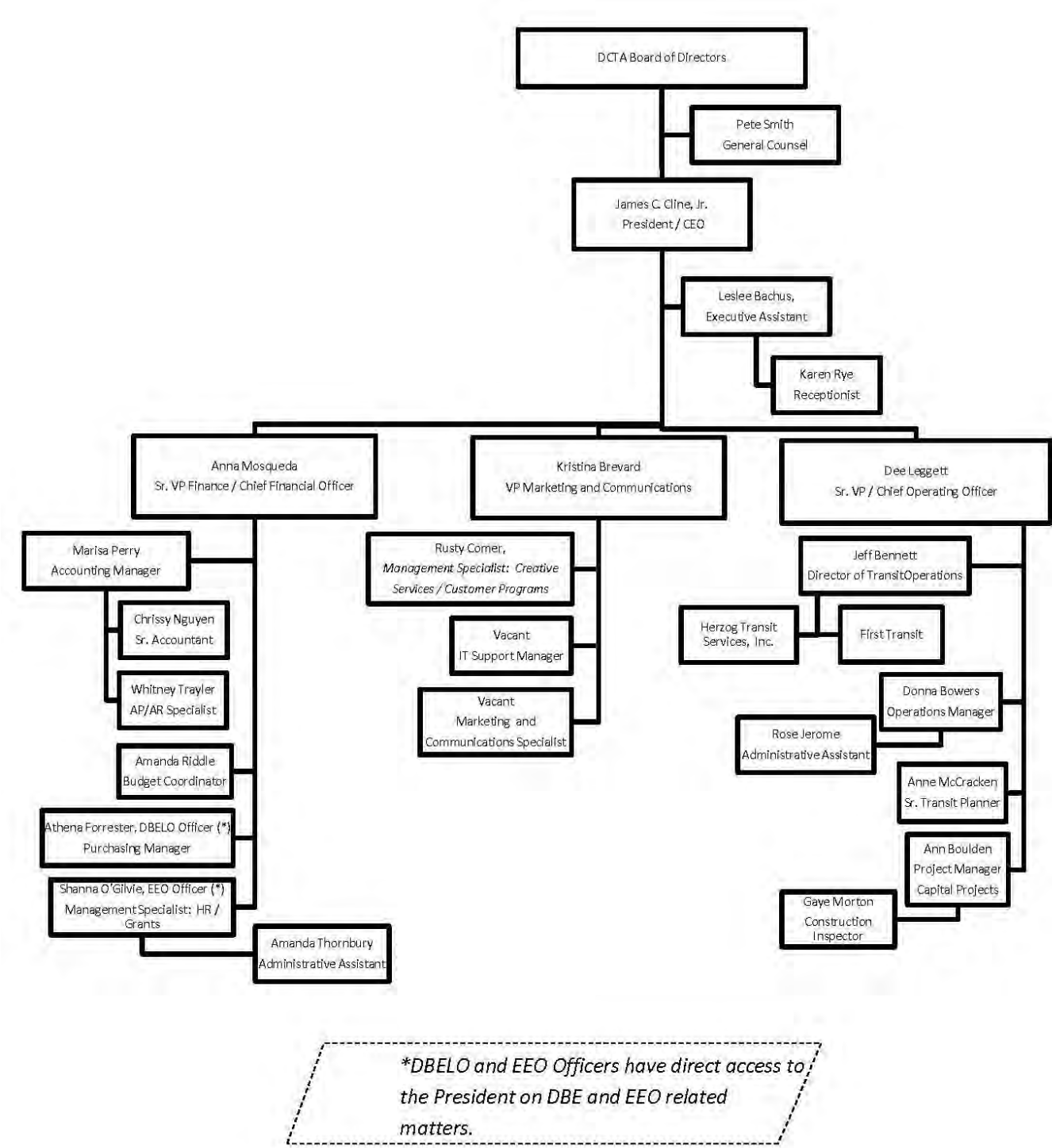
Board Member
Vacant

Small Cities

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. Authorized by 70 percent of Denton County voters in 2002 and funded in 2003 by a dedicated sales tax from the cities of Denton, Lewisville and Highland Village, fulfilled its initial service plan in 2011. In December 2011, the Agency adopted its updated service plan to include system-wide improvements which will build on the initial investments and meet the needs caused by future growth.

DCTA provides 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-mile commuter rail system, vanpool services and demand response/paratransit services. DCTA's 57 peak bus vehicles, eight peak rail vehicles and 196 employees and contracted employees serve nearly three million passengers annually. The transit system serves three higher-education institutions, connects with the regional transit network and serves key employment, healthcare and government centers.

The launch of the A-train in June 2011 was a major milestone and completed the initial service plan. The \$320 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 this summer and the A-train will mitigate construction-related congestion.

DCTA's aggressive approach has resulted in a 129 percent increase in ridership since initiating its service plan. Bus service improvements and the launch of the A-train have yielded record ridership each year since 2008, resulting in 3 million passenger trips in 2013!

The Authority's new service plan, development of the nation's first alternative compliant Diesel Multiple Unit (DMU) rail car, and the recent ground breaking on a 22,000 square foot bus operations and maintenance facility demonstrates DCTA's concerted efforts to expand transit opportunities and influence the industry.

SAFETY

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

DCTA's investments in safety through design, equipment purchases, training, community education and improved hiring practices have reduced on-the-road accidents by 40 percent, maintained zero recordable injuries on the A-train construction site and resulted in 270 days without a reportable occupational injury in rail operations. DCTA has invested in safety equipment to improve the operations for both staff and passengers, installed security cameras on all trains and 27 buses (40 percent of bus fleet) and also installed securement straps to improve access for mobility impaired users.

Services and Activities

Positive Train Control (PTC) implementation is a national safety initiative mandated by the Rail Safety Improvement Act of 2008. DCTA and its engineering consultant, LTK, are leading an effort to develop a regional PTC system in concert with the Trinity Railway Express (TRE). This effort will allow for increased cost efficiencies and streamlined implementation. As a result of this regional effort, the Regional Transportation Council agreed to provide \$25 million to fund the effort.

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, promoting a company-wide proactive safety culture and the involvement of a 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 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 currently is constructing a new Bus Operations and Maintenance facility, replacing existing leased facilities which were never intended for transit use. A transit-specific design decreases the risk posed by occupational safety hazards that exist in the leased facilities. Safety elements being incorporated into the new facility include proper lighting, signage, fire protection, fencing, non-slip surfaces, and key-card access to secure facilities including vehicle parking. This new resource is expected to open in January 2014 and is funded through FTA's State of Good Repair program.

In 2011, DCTA completed construction of the A-train project, the 21-mile commuter rail line which was the central element of the Authority's initial service plan. Recognizing this was a major construction project that would initiate rail service in areas unfamiliar with commuter rail, DCTA and its contractors placed a strong emphasis on safety through design, occupational training, enforcement and community education. DCTA invested in programs that trained 1,000 first responders on rail vehicle critical response techniques and educated more than 12,000 citizens about rail safety.

During the A-train launch, DCTA worked closely with area first responders through a Fire-Life Safety Committee. The committee met quarterly to coordinate with and provide resources, training, and information to local law enforcement and first responders. These meetings provided an opportunity for DCTA and the agencies to collaborate and effectively address any safety challenges related to the A-train corridor. The relationships built through this committee have aided the agency during operations with incident response and enforcement of traffic safety and trespassing laws.

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

Services and Activities

passenger elements developed to reduce injuries, were designed in cooperation with the FRA and the Volpe Center and resulted in the first Alternate Vehicle Technology (AVT) rail vehicle in operation in the US.

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 transit network currently averages 97 percent on-time performance. DCTA monitors each route by reviewing passengers per-mile, passengers per-hour, total ridership per-month and numerous financial indicators to identify high and low performing areas. Those areas are then further reviewed every six months for adjustment or corrective action. DCTA also closely monitors street repairs and has developed alternative route options to minimize impacts to operations.

When launching the rail service, DCTA teamed with regional partners to share resources and gain greater operating efficiencies. This resulted in privatization of its operations and maintenance through a partnership with DART and TRE. 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. In turn, DCTA built a state-of-the-art rail facility equipped to serve as a regional maintenance and dispatch facility to other regional dispatch centers.

DCTA's selection of a DMU over traditional commuter rail equipment offers a more efficient operations and a smoother travel for customers. The Stadler GTW DMU vehicles have significantly improved fuel efficiency over the previous leased RDC vehicles and over level boarding which minimizes the dwell time at stations. Furthermore, GTWs have better braking and acceleration abilities allowing for shorter headways and improved travel time for DCTA passengers.

CUSTOMER SERVICE

DCTA believes all customers are important and add value to the system. This belief and practice is demonstrated by the 94 percent 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, foster a positive work environment 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 and rail related questions without the need for transfers. The call center is also trained on regional transit systems, eliminating the need for the customer to call DART or The T. DCTA's call center

Services and Activities

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 times 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 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 includes an indoor passenger waiting area, public restrooms, bus platform, passenger shelter and windbreakers. The transit center also offers free Wi-Fi, conference and community rooms, climate controlled waiting area with cable TV, vending machines and a covered patio often used as a free music venue.

DCTA is always looking for better ways to communicate with its customers. DCTA revamped its website 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 nearly 2000 followers on Facebook and 1300 followers on Twitter. DCTA President Jim Cline also has his own Twitter account and uses his account to personally engage customers. These efforts have increased the Authority's "wired" presence and enabled staff to interact with customers in new ways.

DCTA has recently implemented GOREquest, a web-based and smartphone application that allows customers to communicate with DCTA, offering suggestions, commendations and complaints. The comments are monitored by management, logged and tracked to completion with a required seven day resolution time. Ninety-five percent of issues are resolved within two days. The Agency currently is developing a "Where's My Ride" predictive arrival bus and train information mobile application and also partnered with DART and the Fort Worth "T" to implement a mobile ticketing application that allows riders to purchase tickets via their smart phone. These tools will offer passengers mobile information and make transit travel more convenient.

FINANCIAL MANAGEMENT

DCTA understands a strong financial management plan should focus on building financial integrity and a financially sustainable transit agency. DCTA's long-range financial planning process - initially adopted in 2009, is supported by Financial Management Policies, a Long Range Financial Plan and the Long Range Service Plan. The Long Range Financial Plan is updated 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

Services and Activities

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 five years. DCTA activities resulted in an increase in net assets of \$323.2 million since the 2008 fiscal year. The increase in net assets primarily has been the result of the A-train capital project and the related reimbursement of \$250 million in expenditures from Texas' 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's goals and objectives, with specific activities 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 striving to meet a high standard for financial transparency online.

DCTA continues to pursue grant opportunities at the state and federal level and works closely with partnering agencies to improve grant reporting and administration, and expedite project delivery.

ENVIRONMENTAL SUSTAINABILITY

As a transit provider in an ozone non-attainment area, DCTA is committed to smarter environmental practices that reduce emissions, lead to smarter land-use and provide a cleaner environment for residents.

DCTA partners with the North Central Texas Council of Governments (NCTCOG) to encourage residents to improve air quality by utilizing alternate forms of transportation. 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, which has grown to 24 active vanpools in less than two years. As part of the A-train project, DCTA constructed an eight-mile bicycle/pedestrian trail - which connects residential properties and business to the A-train and the bus network. DCTA will soon begin design of two more trails that will connect the entire A-train alignment with a complementary bike/pedestrian facility. Once completed, this trail will connect with planned and existing trails in five municipalities and complete a portion of the region's veloweb.

DCTA has also partnered with NCTCOG on the implementation of a Clean Fleet and Idling Reduction Program, which outlines DCTA's commitment to purchasing only newly manufactured vehicles and decreasing vehicle idling to the minimum necessary to operate service.

WORKFORCE DEVELOPMENT

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

DCTA encourages and funds participation in industry training, conferences, professional organizations and career advancement opportunities. 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. Half of the agency’s executive management team was promoted from within the organization. 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. 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 this intensity could create 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. Staff identified challenges and opportunities and developed action plans. Although 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.

In early 2011, DCTA conducted a market study and established a pay-scale system for employees, designed to make the agency competitive. A follow-up market study was conducted in 2013 and confirmed that DCTA’s benefits and salaries were competitive. In 2012, DCTA implemented a succession plan/development program that motivates employees, controls compensation costs, sets standards for merit increases, ensures fairness and equity, and develops future transit leaders by prioritizing professional development and training.

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 75 percent female and 25 percent Hispanic. 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 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 million A-train construction project exceeded the agency diversity goal which resulted in nearly \$40 million being awarded to disadvantaged businesses.

MARKETING

Transit still is new to most Denton County residents and Texas still has a car (truck) culture. Marketing has been important to attract and retain riders and demonstrate the benefits of investing in a transit system. As a result, 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 February 2013, DCTA began a comprehensive study to review the Agency's communication architecture and passenger information. Recognizing the need to attract new passengers, it is crucial for the Agency to provide passenger information in appropriate and relevant formats that adequately assist passengers when navigating the DCTA system. This study will identify issues with currently provided information and process and product recommendations for improvements moving forward.

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, WordPress and LinkedIn has increased the number of impressions the agency 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 on a typical Saturday.

Services and Activities

DCTA partners with DART and The T on special event promotional opportunities, ozone awareness campaigns, APTA's Dump the Pump event, and a regional rail safety campaign. DCTA also has teamed with the Denton Convention and Visitor's Bureau and the Lewisville Visitor's Center on initiatives to promote the A-train and local bus services. These local partnerships have yielded some of the highest weekend transit ridership to date, and help to leverage a limited marketing budget. Seventy-five percent of DCTA's ridership is affiliated with 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. In turn, these partners are some of DCTA's biggest advocates and promoters.

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 marketing/communication. 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; fuel 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 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 recognizes that transit capital projects while providing great benefit to the entire communities can have real or perceived impacts on immediate neighbors. DCTA developed methods to eliminate, minimize or mitigate the impacts of the construction of the A-train and the current Bus Operations and Maintenance Facility. Measures exceed those required by NEPA and in some areas DCTA has invested additional funds to provide enhancements such as privacy fencing, screening walls, bike and pedestrian amenities, monument, and historical signage to better integrate the projects into the adjacent communities. Development of these measures and design of the enhancements were done in concert with the adjacent neighborhoods led by a stakeholder group which consisted of DCTA, neighborhood and city representatives. As a result, a community has become an advocate for DCTA and its transit services.

DCTA continues to educate the public on how to ride transit and to assist with transitioning eligible demand response users to fixed-route service through its travel training program. 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.

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.

Regional partnerships have and will continue to play a key role in transit's success and future expansion in North Texas. DCTA has been a leader in both growth and partnerships since its inception. As a result of the agency's positive reputation and the advocacy efforts of its chairman and Board members, DCTA's chairman and President were tasked by the Regional Transportation Council to form and lead the North Texas Regional Rail Alliance to foster, coordinate and advance regional rail projects in North Texas. Chaired by DCTA's Board Chairman Charles Emery, the alliance includes DART, DCTA and The T and meets quarterly to discuss key regional, state and national industry issues. Two immediate issues include the regional PTC effort and the advancement of state legislation to limit Class I rail liability in corridors allowing passenger rail service.

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.

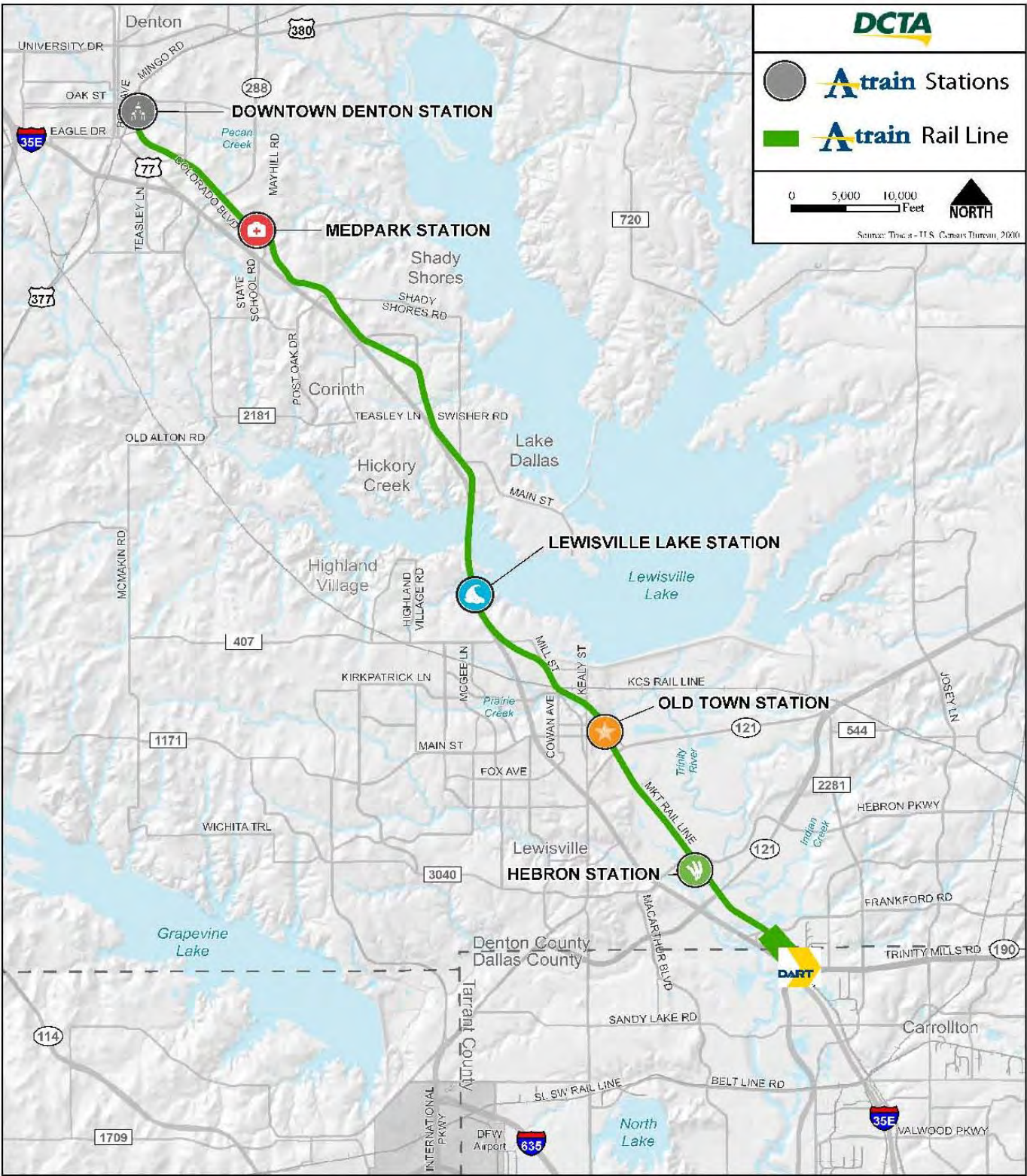
Upon the completion of construction and the official opening of the A-train regional rail project the agency carried 8,300 passengers on its first day of service in June 2011. The A-train runs along the former Missouri-Kansas-Texas Railroad (MKT) line parallel to Interstate 35E. This regional rail line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

Just twenty- seven months after the launch of the A-train, the agency celebrated a significant milestone as the A-train exceeded one Million passengers in September 2013. With the support of DCTA member cities and the beginning of the I-35E expansion construction project, the agency expects to see continued growth in ridership in 2014.

The next major milestone the agency will address is the implementation of federally mandated Positive Train Control (PTC). DCTA has partnered with the DART/Trinity Rail Express (TRE) and TexRail to form the North Texas Commuter Rail Alliance to implement PTC. The alliance working committee has crafted technical specifications for a regional PTC system that will be published for bid in early 2014 with implementation beginning later that year. This project and related funding is incorporated in DCTA's 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, residents use Connect RSVP on-demand service travel and connect to other DCTA transit options. 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, as well as schools within the Denton Independent School District.

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. With recent improvements to the Connect routes, the agency has seen a 21% increase in ridership.

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 2013, nearly 2 million passengers chose transit over fighting for parking places and campus congestion. Passengers can transfer from the UNT Shuttle routes to Connect,



Services and Activities

the NCTC Shuttle and the A-train.

The North Central Texas College (NCTC) shuttle connects students in Denton and Lewisville to the NCTC Corinth and Flower Mound campuses. Passengers may transfer to and from other DCTA services in Denton and Lewisville.

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

DEMAND RESPONSE SERVICE:

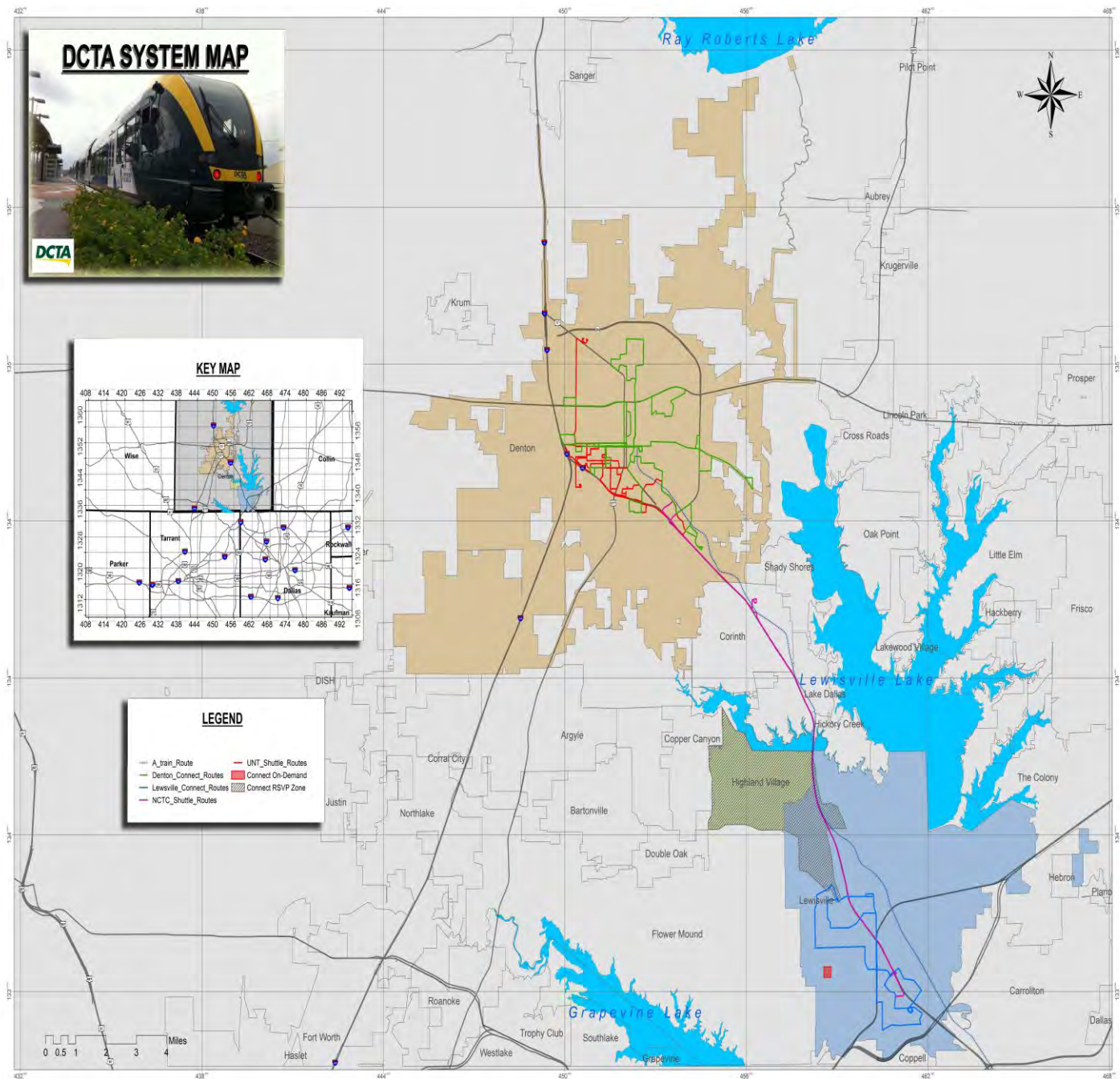
The DCTA Access service offers curb to curb ADA paratransit service in Denton and Lewisville and elderly and disabled demand-response (Non-ADA) service for the residents of Denton, Lewisville, and Highland Village. Access passengers can schedule trips to begin and end within one of the two Access services zones. ADA paratransit service is provided by DCTA for customers traveling within ¾-mile from the Connect local fixed-routes and is available to those with Americans with Disabilities Act eligibility. Reservations are accepted up to seven days in advance.

VANPOOLS:

Commuter Vanpools are an additional DCTA service which provides a comfortable, cost-effective and convenient way to get to work. Vanpools are ideal for groups of 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. In FY 2013, DCTA increased the number of active commuter vanpools from just five vanpools to 24.



Service Area Map – Bus Transit Services





Where's My Ride

The new “Where’s My Ride” app will allow passengers access to predictive arrival information for the next bus or train at any particular stop location via mobile application, SMS text alerts, by telephone Interactive Voice Response or through the DCTA website.

“Where’s My Ride” will use data from a GPS device mounted inside each Connect bus and A-train railcar. That information will integrate with operator login information and then is transmitted via wireless. The software integrates location and login information with schedules and map files to provide predictive arrival times to our customers.

Passengers can subscribe to specific routes through the system so rider alerts can be auto-generated based on passenger specific preferences.

“Where’s My Ride” is scheduled for implementation in January of 2014.

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 2013 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:

- Reached 3,013,106 in ridership in FY13
- Increased the number of DCTA vanpools to 24
- Maintained zero FRA reportable worker injuries
- Rail vehicle up-time of over 90%
- 100% of preventative maintenance performed on-time
- Bus on-time performance has exceeded the goal of 95%
- Rail on-time performance has met the goal of 99%
- Began fare enforcement by TMDC transit supervisors and peace officer
- Developed State & Federal Legislative agenda
- Received funding for Phase Three of Rail Trail
- Notice to Proceed on Bus Operations & Maintenance Facility; scheduled completion date of January 2014
- Notice to proceed on Denton Bus Shelters
- Notice to Proceed on conceptual design of Lewisville Bike Trail
- Design completed on Community Enhancement Project
- Completion of the FY12 Audit with an unqualified opinion and no material findings
- Received TX State Comptroller Leadership Circle – Silver Award
- Received the Government Finance Officers Association Distinguished Budget Award for the FY13 Budget which garners local and regional awareness for DCTA
- Completed implementation of the regional GoPass mobile ticketing application
- Secured \$12.5 million from North Central Texas Council of Governments (NCTCOG) for Positive Train Control.
- Procurement system review by FTA completed and all items successfully closed

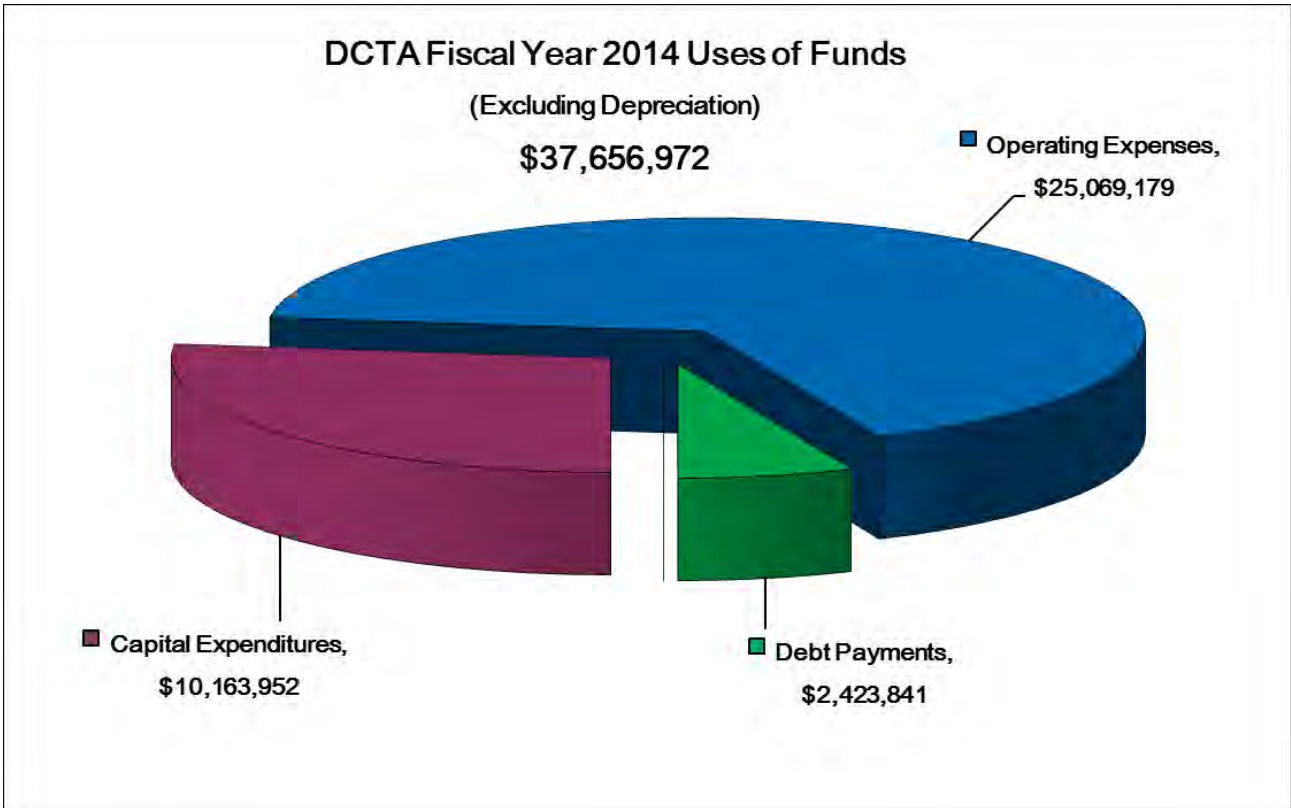
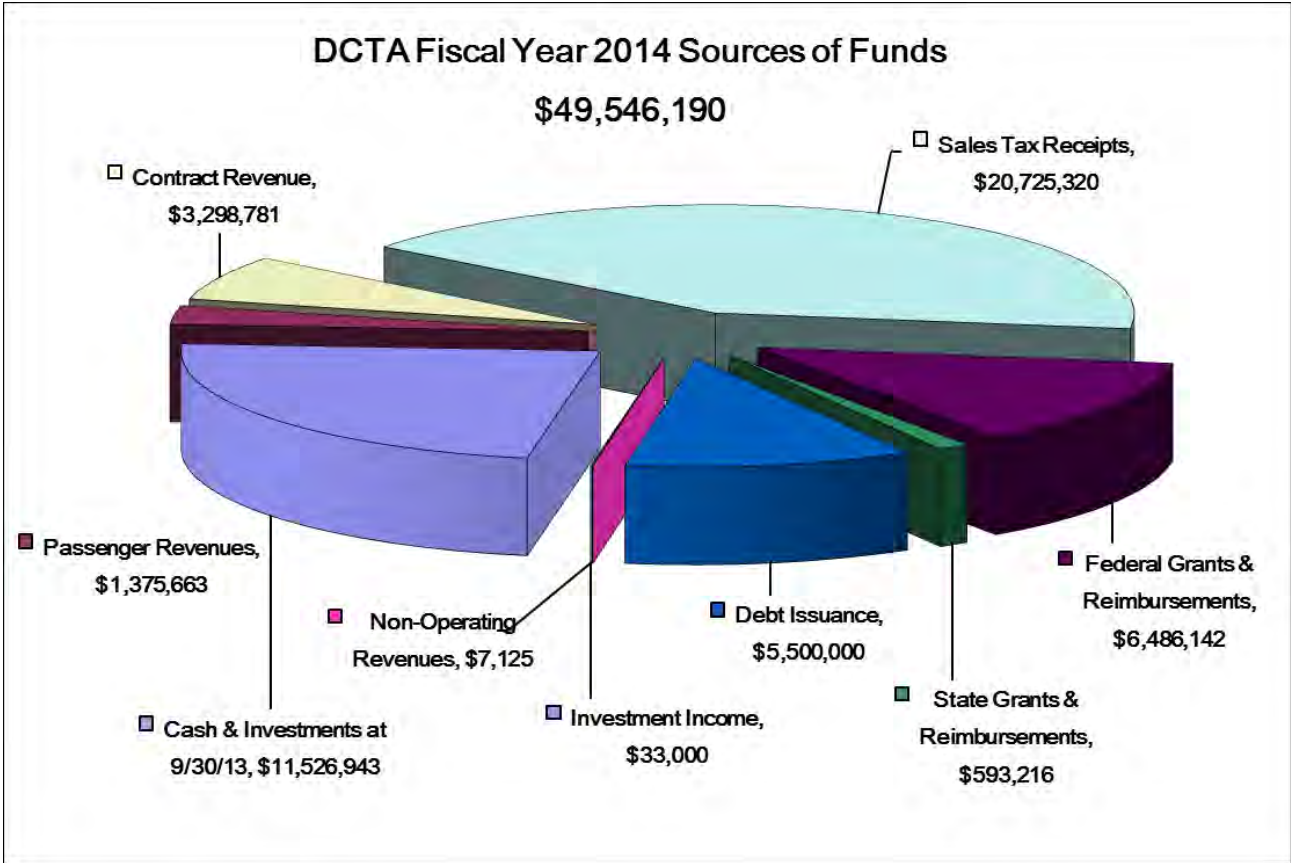
Change in Net Assets – Budget Basis

	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised Budget	FY 2014 Budget
Operating Revenues				
Passenger Fares	\$ 1,015,813	\$ 1,030,940	\$ 1,030,940	\$ 1,375,663
Contract Service Revenue	2,927,341	3,001,040	3,001,040	3,298,781
Other Revenues	-	-	-	-
Total Operating Revenues	\$ 3,943,154	\$ 4,031,980	\$ 4,031,980	\$ 4,674,444
Operating Expenses				
Salaries, Wages & Fringe Benefits	\$ 6,293,239	\$ 7,211,225	\$ 7,211,225	\$ 8,279,130
Services	1,431,692	1,388,452	2,118,582	1,865,784
Materials & Supplies	3,010,582	3,494,340	3,698,665	3,829,224
Utilities	396,248	372,740	410,398	447,815
Insurance, Casualties & Losses	362,958	544,732	625,791	798,162
Purchased Transportation Services	7,605,437	8,430,186	8,430,186	9,331,365
Miscellaneous	126,187	155,491	148,976	233,085
Leases & Rentals	943,160	421,330	537,430	284,615
Depreciation	6,901,759	9,320,443	9,320,443	8,997,293
Total Operating Expenses	\$ 27,071,262	\$ 31,338,939	\$ 32,501,696	\$ 34,066,473
Operating Income / (Loss)	\$ (23,128,108)	\$ (27,306,959)	\$ (28,469,716)	\$ (29,392,029)
Non-Operating Revenues / (Expenses)				
Sales Tax Revenue	\$ 19,009,136	\$ 18,775,391	\$ 18,775,391	\$ 20,725,320
Net Investment Income / (Expenses)	53,927	36,000	36,000	33,000
Long-Term Debt Interest / (Expense)	(1,499,100)	(2,168,920)	(2,331,608)	(2,423,840)
Non-Operating Revenues / (Expenses)	90,301	-	-	7,125
Federal Grants & Reimbursements	3,095,510	9,556,174	10,177,611	6,486,142
State Grants & Reimbursements	7,214,635	691,926	803,926	593,216
Debt Issuance	-	13,400,000	13,400,000	5,500,000
Total Non-Operating Revenue	\$ 27,964,409	\$ 40,290,571	\$ 40,861,320	\$ 30,920,963
Increase in Net Assets	\$ 4,836,301	\$ 12,983,612	\$ 12,391,603	\$ 1,528,934
Net Assets - Beginning of Year:	\$ 316,131,437	\$ 293,458,414	\$ 293,458,414	\$ 289,189,309
Net Assets - End of Year:	\$ 320,967,738	\$ 306,442,026	\$ 305,850,017	\$ 290,718,242
<i>Transfer to Capital Projects</i>	<i>\$ 27,509,324</i>	<i>\$ 21,496,074</i>	<i>\$ 16,660,708</i>	<i>\$ 10,163,952</i>
Net Assets After Capital Project Transfer	\$ 293,458,414	\$ 284,945,952	\$ 289,189,309	\$ 280,554,290

Statement of Cash Flows

	FY 2013	FY 2014
Estimated Beginning Cash Balance	18,326,983	11,526,944
Operating Activities		
Operating Revenue	\$ 4,031,980	\$ 4,674,444
Sales Tax Revenue	20,121,670	20,725,320
G&A Operating Expenses*	(3,770,686)	(3,780,925)
Rail Operating Expenses*	(11,265,735)	(12,258,021)
Contract Bus (TMDC) Operating Expenses*	(8,144,832)	(9,030,233)
Total Operating Activities	\$ 972,397	\$ 330,585
Investing Activities		
G&A Capital Expenditure	\$ -	\$ -
Rail Capital Expenditure	(6,675,141)	(7,770,320)
Bus Capital Expenditure	(9,783,225)	(2,393,632)
Non-Operating (Expense)/Income	-	7,125
Investment Income	36,000	33,000
Federal / State Grants & Reimbursements	10,981,537	7,079,358
Total Investing Activities	\$ (5,440,829)	\$ (3,044,469)
Financing Activities		
Debt Issuance	\$ -	\$ 5,500,000
Debt Payment	(2,331,607)	(2,423,841)
Total Financing Activities	\$ (2,331,607)	\$ 3,076,159
Net Increase (Decrease) in Cash	\$ (6,800,039)	\$ 362,275
Estimated Ending Cash Balance	\$ 11,526,944	\$ 11,889,219

* Operating expenses net of depreciation expense



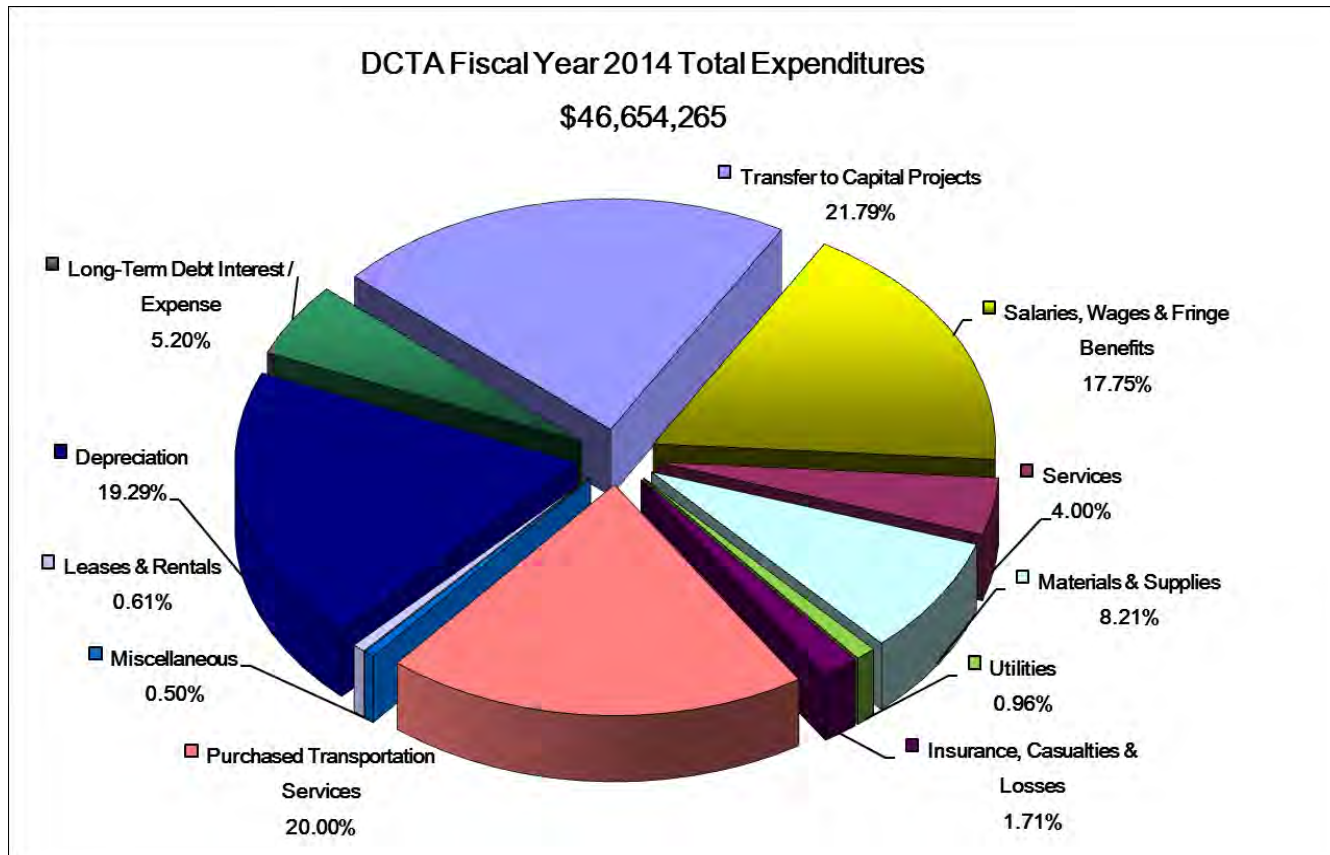
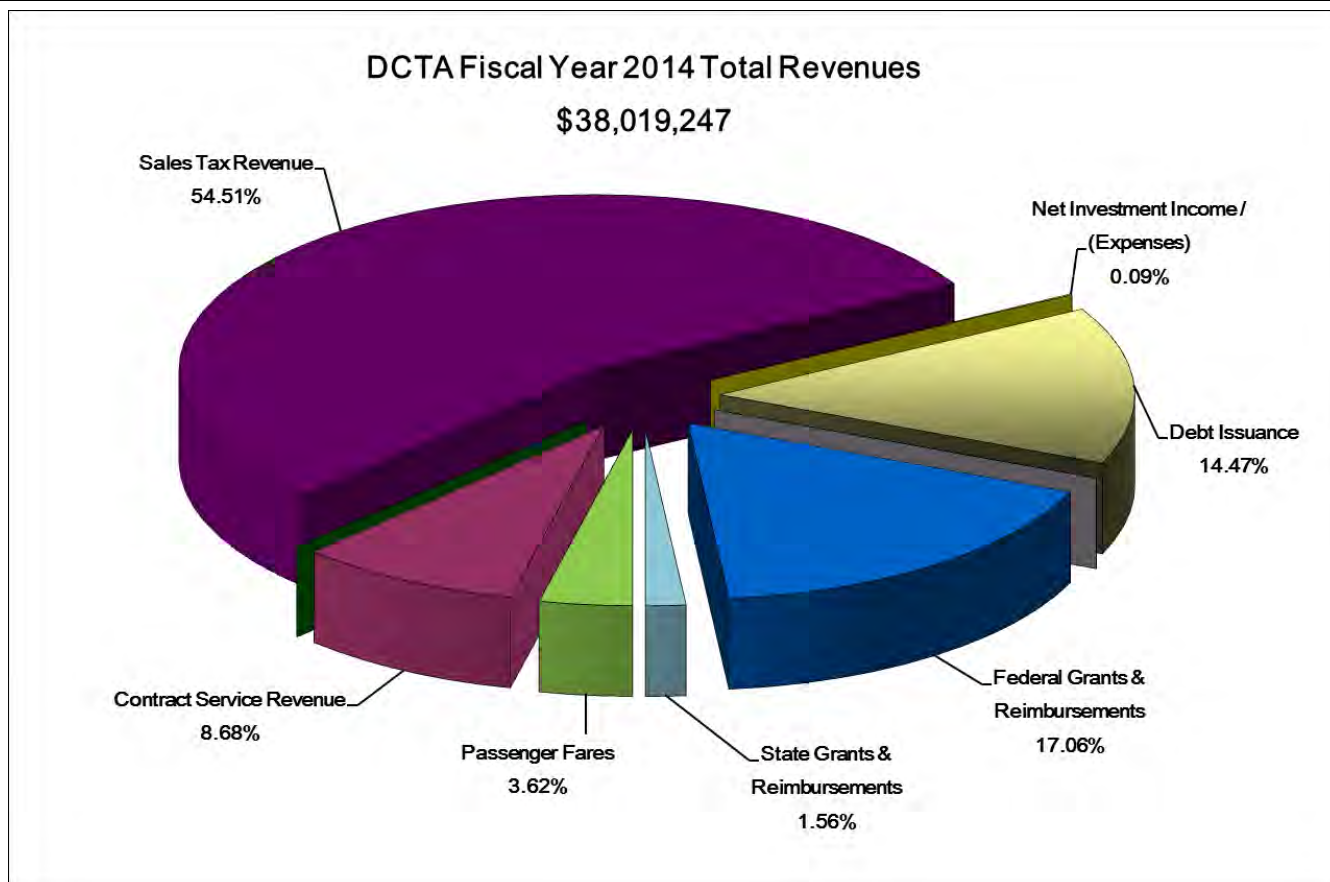
Operating Budget by Classification

SUMMARY (millions)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised Budget	FY 2014 Budget	% CHANGE FY 14 to FY 13 Rev Budget
TOTAL REVENUES	\$ 33.4	\$ 46.5	\$ 47.2	\$ 38.0	-19.5%
TOTAL EXPENSES	\$ 56.1	55.0	51.5	46.7	-9.3%
ANNUAL SURPLUS (DEFICIT)	\$ (22.7)	\$ (8.5)	\$ (4.3)	\$ (8.7)	103.5%

DETAIL

	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised Budget	FY 2014 Budget	\$ CHANGE FY 14 to FY 13 Rev Budget
REVENUES					
Passenger Fares	\$ 1,015,813	\$ 1,030,940	\$ 1,030,940	\$ 1,375,663	\$ 344,723
Contract Service Revenue	2,927,341	3,001,040	3,001,040	3,298,781	\$ 297,741
Subtotal Operating Revenue	3,943,154	4,031,980	4,031,980	4,674,444	642,464
Sales Tax Revenue	19,009,136	18,775,391	18,775,391	20,725,320	1,949,929
Net Investment Income / (Expenses)	53,927	36,000	36,000	33,000	(3,000)
Debt Issuance		13,400,000	13,400,000	5,500,000	(7,900,000)
Non-Operating Revenues	90,301	-	-	7,125	7,125
Federal Grants & Reimbursements	3,095,510	9,556,174	10,177,611	6,486,142	(3,691,469)
State Grants & Reimbursements	7,214,635	691,926	803,926	593,216	(210,710)
Subtotal Non-Operating Income	29,463,509	42,459,491	43,192,928	33,344,803	(9,848,125)
TOTAL REVENUES	\$ 33,406,663	\$ 46,491,471	\$ 47,224,908	\$ 38,019,247	\$ (9,205,661)
EXPENSES					
Salaries, Wages & Fringe Benefits	\$ 6,293,239	\$ 7,211,225	\$ 7,211,225	\$ 8,279,130	1,067,905
Services	1,431,692	1,388,452	2,118,582	1,865,784	(252,799)
Materials & Supplies	3,010,582	3,494,340	3,698,665	3,829,224	130,559
Utilities	396,248	372,740	410,398	447,815	37,417
Insurance, Casualties & Losses	362,958	544,732	625,791	798,162	172,371
Purchased Transportation Services	7,605,437	8,430,186	8,430,186	9,331,365	901,179
Miscellaneous	126,187	155,491	148,976	233,085	84,109
Leases & Rentals	943,160	421,330	537,430	284,615	(252,815)
Depreciation	6,901,759	9,320,443	9,320,443	8,997,293	(323,150)
Subtotal Operating Expenses	27,071,262	31,338,940	32,501,696	34,066,473	1,564,777
Long-Term Debt Interest / Expense	1,499,100	2,168,920	2,331,608	2,423,840	92,232
Non-Operating Expenses					-
Subtotal Non-Operating Expenses	1,499,100	2,168,920	2,331,608	2,423,840	92,232
TOTAL EXPENSES	\$ 28,570,362	\$ 33,507,860	\$ 34,833,304	\$ 36,490,313	\$ 1,657,009
<i>Transfer to Capital Projects</i>	<i>27,509,324</i>	<i>21,496,074</i>	<i>16,660,708</i>	<i>10,163,952</i>	<i>(6,496,756)</i>
ANNUAL SURPLUS (DEFICIT)	\$ (22,673,023)	\$ (8,512,463)	\$ (4,269,105)	\$ (8,635,018)	\$ (4,365,914)



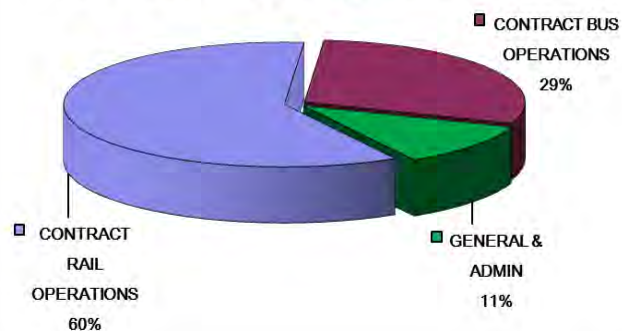
Operating Expenses by Division and Department

OPERATING EXPENSES	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised Budget	FY 2014 Budget
GENERAL AND ADMINISTRATIVE				
President	\$ (1,247,475)	\$ 1,078,132	\$ 1,704,157	\$ 1,286,580
Vice President of Finance / CFO	725,153	869,156	919,841	1,008,281
Board of Directors	14,915	28,856	24,531	31,867
Communications and Marketing	511,443	547,054	570,754	805,540
Transit Operations	583,502	283,825	283,825	254,977
Planning	70,560	161,609	161,609	245,677
Human Resources	161,037	107,157	105,969	148,684
TOTAL GENERAL & ADMIN	\$ 819,135	\$ 3,075,789	\$ 3,770,686	\$ 3,781,605
RAIL SERVICES (THIRD PARTY CONTRACT)				
Rail Services	\$ 18,235,505	\$ 19,390,310	\$ 19,647,035	\$ 20,358,294
TOTAL RAIL SERVICES	\$ 18,235,505	\$ 19,390,310	\$ 19,647,035	\$ 20,358,294
BUS SERVICES (THIRD PARTY CONTRACT)				
Administration	\$ 1,567,626	\$ 1,568,779	\$ 1,599,688	\$ 1,564,144
Connect Service	1,632,769	2,151,097	2,151,636	2,646,827
UNT Service	1,795,898	2,038,663	2,003,503	2,152,142
Access Service	611,435	744,625	721,377	782,555
Commuter Express Service	134,599	-	-	-
Maintenance	1,256,595	1,206,421	1,426,384	1,418,384
Supervisors & Dispatch	562,317	623,567	627,487	756,747
NCTC Service	81,344	103,535	101,213	105,427
Customer Service (DDTC)	374,039	436,153	452,688	500,349
TOTAL BUS SERVICES	\$ 8,016,622	\$ 8,872,841	\$ 9,083,975	\$ 9,926,574
TOTAL OPERATING EXPENSES	\$ 27,071,262	\$ 31,338,940	\$ 32,501,696	\$ 34,066,473

Fiscal Year 2013 Operating Expense by Division

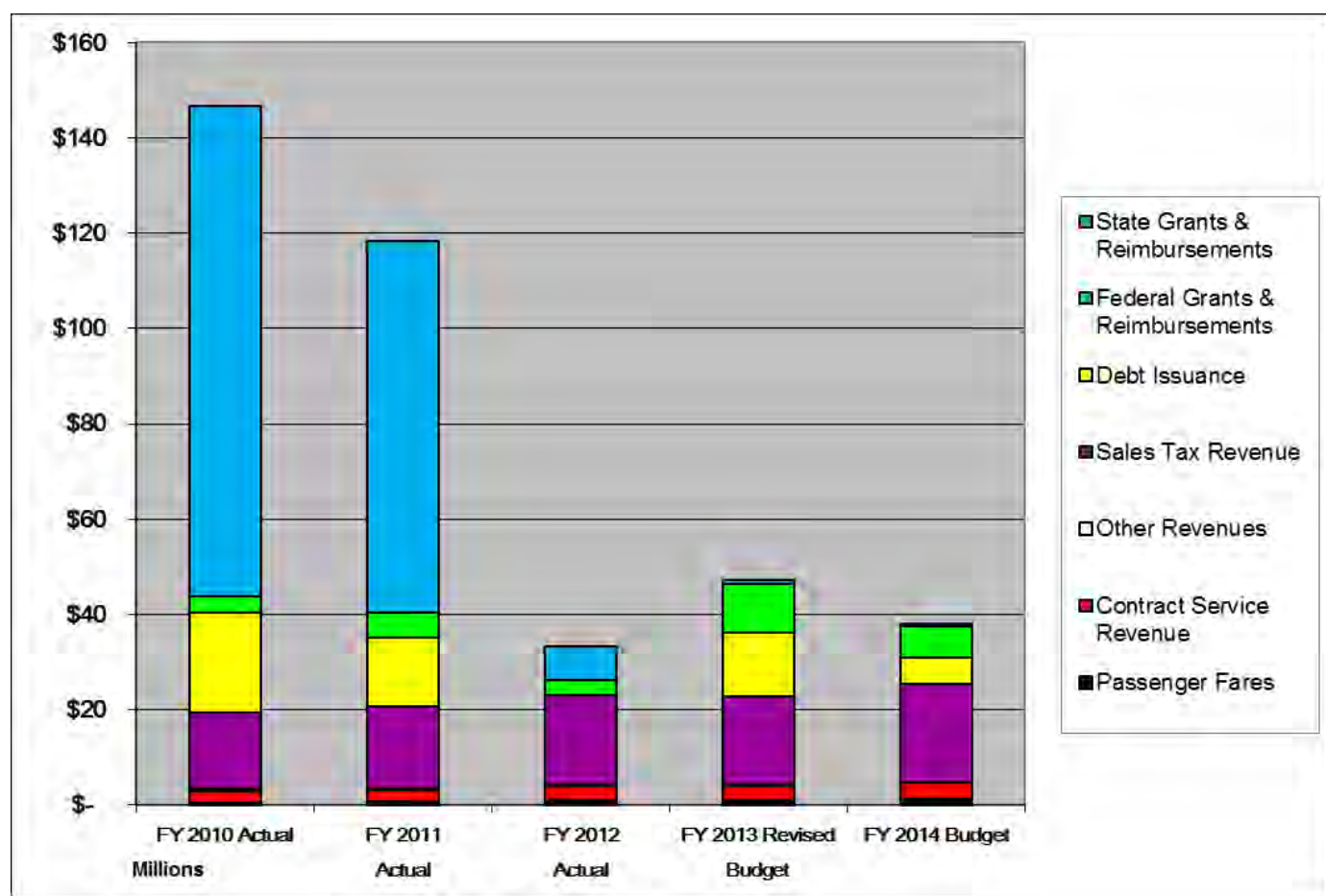


Fiscal Year 2014 Operating Expense by Division



Revenue Sources – Five Year Trend

REVENUE SOURCE	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Revised Budget	FY 2014 Budget
Passenger Fares	\$ 474,937	\$ 666,496	\$ 1,015,814	\$ 1,030,940	\$ 1,375,663
Contract Service Revenue	2,433,909	2,560,035	2,927,341	3,001,040	3,298,781
Other Revenues	658	-	-	-	-
Sales Tax Revenue	16,188,072	17,135,359	19,009,136	18,775,391	20,725,320
Net Investment Income	102,615	110,472	53,927	36,000	33,000
Debt Issuance	20,890,000	14,390,000	-	13,400,000	5,500,000
Non-Operating Revenues	287,359	183,598	90,301	-	7,125
Federal Grants & Reimbursements	3,432,289	5,376,471	3,095,510	10,177,611	6,486,142
State Grants & Reimbursements	102,970,259	77,973,713	7,214,635	803,926	593,216
TOTAL REVENUES	\$146,780,098	\$ 118,396,143	\$ 33,406,664	\$ 47,224,908	\$ 38,019,247



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 \$344k or 33% increase over the FY 2013 revised budget. This increase is due to additional Connect bus service for Lewisville and Denton and increased mid-day rail service in order 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 2014 budget reflects a 10% increase over the 2013 revised budget due to a contract rate increase with University of North Texas and projected fuel costs.

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 2014 budget year is a 3% increase over the current projections for FY13, which anticipates a 6% increase over revised budget.

NET INVESTMENT INCOME

Net investment income represents DCTA earnings from investments net of interest expense. In FY 2014 due to market conditions, DCTA is anticipating a conservative return on investment.

FEDERAL GRANTS & REIMBURSEMENTS

Federal grant revenue consists of revenue or income from various grants available to DCTA and includes both operating and capital grants. In FY 2014, DCTA anticipates \$3.7 million in operating grants. Operating grants are used to fund projects such as preventative maintenance, eligible bus transit operations, vanpool program, and travel training. DCTA anticipates \$2.8 million in capital grants, which reflects a significant decrease of \$4.7 million over the FY 2013 revised budget. This decrease 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 was budgeted to be drawn down in FY 2013 and the remaining balance in FY 2014. In FY13, DCTA also used the remaining ARRA funds of \$1.3 million. These funds were applied to projects related to bus support equipment and passenger information systems.

STATE GRANTS & REIMBURSEMENTS

The State grant revenue anticipated in FY14 totals \$593 thousand in Texas Department of Transportation (TxDOT) STEP grants which will be used toward the Lewisville Hike and Bike Trail capital project. Final engineering is expected to be complete in late 2013, with construction beginning in the spring of 2014.

OPERATING EXPENSES

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

DCTA 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.

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 2014 budget reflects a 15% increase in this category. Major components included in this category are the following: (1) planned merit and pay plan adjustments; (2) one-time lump sum payment to achieve a 95% funded ratio on our retirement plan; (3) Addition of 1.5 FTE administrative support staff; (4) 10% increase in health benefits for DCTA; 15% increase for TMDC and (5) 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 FY14 budget includes \$25k for this purpose. Merit pay has also been included at 3.50%, and accounts for \$34k (DCTA staff) and staff re-organization. In July 2013, DCTA was challenged with position vacancies in key roles within the organization. Management responded by providing upward growth opportunities to current staff and recruiting nation-wide seeking highly qualified candidates.

Also included in the FY14 budget is a one-time lump sum payment of \$80k to DCTA's retirement plan in order to obtain a funded ratio level of 95%. The TCDRS FY13 Employer contribution rate was 5.28% of payroll based on the preliminary actuarial study done at the time DCTA joined the TCDRS plan in January of 2012. In August of 2011 when the Board adopted the resolution to participate in the plan effective January 2012, DCTA did not yet have any history and projections for the plan were estimated. The employer contribution rate was set for a two year period covering 2012 and 2013. Generally, credit rating agencies consider a common industry indicator for a "healthy" system one that is 80-85% funded. DCTA's goal is to maintain a plan that exceeds the common industry funded ratio. With all plan assumptions remaining the same, a 4.60% employer contribution rate and making a one-time payment of \$80,000 plan valuation projections indicate DCTA will maintain a funded ratio of 95%.

This budget incorporates an increase of 10% and 15% in health care benefits for DCTA and TMDC based on the current plan design, which accounts for a \$116k increase compared to FY 2013 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 10-15% for some areas due to current claims history for the agency and the impact of the Affordable Health Care Act.

Transit Management of Denton County (TMDC), which provides the bus operations for DCTA, has included an overall blended rate wage increase from \$14.85 to \$15/average for bus operators as a result of the negotiated

Budget Assumptions cont.

union contract which accounts for a portion of the increase and an annual increase of 3% has been included for merit as well as a cost of living increase for the administrative staff of TMDC. The agency is also anticipating adding 20k additional service hours for Connect service which also impact salary and benefits.

SERVICES

Service Expense consists of DCTA contracts and purchase of services from consultants and is lower than the FY 2013 revised budget by 12% due to the significant reduction in legal fees anticipated for FY14. This is offset by a slight increase in security services needed for the new Bus Operations and Maintenance Facility projected to be complete in January 2014.

MATERIALS AND SUPPLIES

This expense category includes office supplies, non-capital expenditure for furniture and computer, fuel and lubricants for operations, etc. The 2014 budget for this category is higher than 2013 revised budget by \$130 thousand (3.6%). This variance can be attributed to fuel budgeted at \$4.15 per gallon in FY 2014, which is an increase from the \$4.00 per gallon included in FY13. Fuel consumption has also increased due to the addition of mid-day rail service and increased Connect bus service scheduled to begin in January 2014. The agency is expecting an increase of \$72k for tire expense in 2014 compared to 2013 due to a large one-time rebate DCTA received in 2013.

UTILITIES

This expense category includes gas, electric and communication expenses. The 2014 budget reflects an increase of \$37 thousand compared to the FY 2013 revised budget and is based on current expenses incurred by the agency.

INSURANCE

This expense category budget item reflects an increase of \$172 thousand due to a full year of rail vehicle insurance in FY14.

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 11% is due to the following factors: (1) the additional mid-day rail service scheduled to begin in January 2014; (2) increased "shared cost" for the agency based on the rail service contract; (3) increase of \$25 thousand for the Maintenance of Way over 25 feet and \$60 thousand additional for

Budget Assumptions cont.

Maintenance of Equipment based on current actuals; (4) a 3% contract increase and (5) additional expense for rail scrubbing.

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 \$84 thousand in FY 2014 and is due to the following: (1) addition of a Wellness Program for staff which will provide staff with education, activities and healthier choices to empower employees to take charge of their health and will result in potential future cost savings in benefit rates; (2) beginning of an Employee Recognition Program and (3) a slight office remodel/painting.

LEASES AND RENTALS

Leases and rental expense includes DCTA facility leases at Denton and office leases at the Stemmons location. The 2014 budget is lower than FY 2013 revised budget by \$253 thousand due to the elimination of RDC lease payments with DART in late FY12 as well as the elimination of lease expense for the Denton location when the Bus Operations and Maintenance Facility is completed in January 2014.

DEPRECIATION

This expense category represents the expense of using our capital assets over time.

NON-OPERATING EXPENSES:

LONG-TERM DEBT INTEREST/EXPENSE

This category accounts for the expenses related to long-term debt issuance and includes 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 2014 budget reflects the principal and interest payments for these outstanding debt and anticipated issuance of \$5.5 million for Positive Train Control. Please refer to the debt tables on pages 43-45 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

Sales Tax Revenue Refunding Bonds, Series 2009				
\$20,890,000				
<u>Date:</u>	December 17, 2009			
<u>Interest:</u>	Semi-annual each March and September, commencing March 2010. Interest accrues at a fixed rate of 3.99%.			
<u>Purpose:</u>	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.			
<u>Security:</u>	The Bonds are secured by Pledged Revenues, including receipts from a 1/2 of 1% sales and use tax levied within the Authority.			
<u>Debt Service:</u>				
	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2010	\$ -	\$ 620,503	\$ 620,503
	2011	-	833,511	833,511
	2012	-	833,511	833,511
	2013	885,000	833,511	1,718,511
	2014	920,000	798,200	1,718,200
	2015	955,000	761,492	1,716,492
	2016	995,000	723,387	1,718,387
	2017	1,030,000	683,687	1,713,687
	2018	1,075,000	642,590	1,717,590
	2019	1,115,000	599,697	1,714,697
	2020	1,160,000	555,209	1,715,209
	2021	1,205,000	508,925	1,713,925
	2022	1,255,000	460,845	1,715,845
	2023	1,305,000	410,771	1,715,771
	2024	1,355,000	358,701	1,713,701
	2025	1,410,000	304,637	1,714,637
	2026	1,465,000	248,378	1,713,378
	2027	1,525,000	189,924	1,714,924
	2028	1,585,000	129,077	1,714,077
	2029	1,650,000	65,835	1,715,835
	Total	\$ 20,890,000	\$ 10,562,386	\$ 31,452,386

Sales Tax Contractual Obligations, Series 2011
\$14,390,000

Date: September 15, 2011

Interest: Semi-annual each March and September, commencing September 2011.
Interest accrues at a fixed rate of 3.13%.

Purpose: These Contractual Obligations are to fund transportation system improvements which will include the initial phase of the Positive Train Control project and a portion of DCTA's share of the new rail vehicles

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

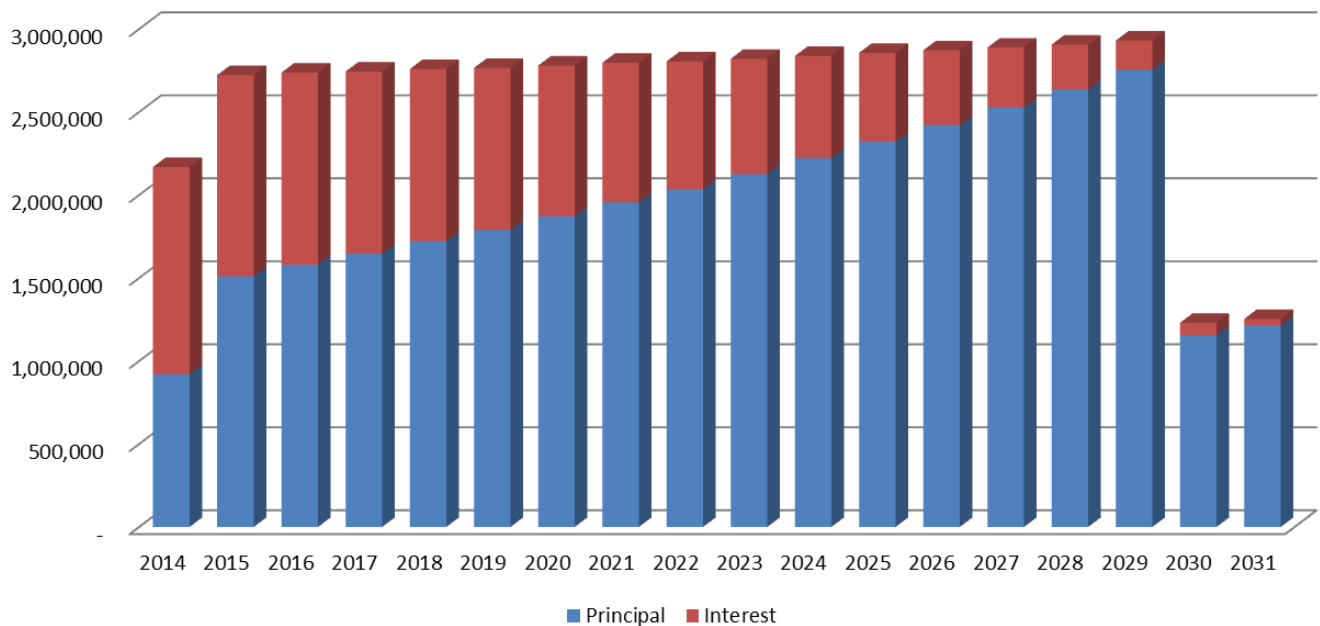
Debt Service:

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

Outstanding Debt Schedule as of 9/30/2012

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
Total	34,395,000	12,467,356	46,862,356

Outstanding Debt Service as of 9/30/2013



Full-Time Equivalent (FTE) Comparison

Division Summary	FY 2012	FY 2013	FY 2014	Variance
General & Administrative Division				
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	-	1.50	1.00	(0.50)
Intern (P-T)	0.50	1.00	1.00	-
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	-	-	-
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 Marketing & Communications	1.00	1.00	1.00	-
Marketing & Communications Manager	1.00	1.00	-	(1.00)
Marketing & Communications Specialist	-	-	1.00	1.00
IT Support Manager	-	-	1.00	1.00
Management Specialist, Creative Services & Customer Programs	1.00	1.00	1.00	-
Transit Operations Department				
Chief Operating Officer	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	-
Senior Transit Planner	-	-	1.00	1.00
Human Resources Department				
Management Specialist: HR/Grants	1.00	1.00	1.00	-
Rail Operations Division				
Rail Development Department				
VP Rail & Project Development	1.00	-	-	-
Project Assistant	1.00	1.00	-	(1.00)
Director of Transit Operations	1.00	1.00	1.00	-
Operations Manager	-	-	1.00	1.00
Admin Asst	-	-	1.00	1.00
Total DCTA FTE Staff	19.50	21.25	22.75	1.50
Third Party Contract Operations				
Contracted Rail Services (HTSI)	53.00	53.00	46.50	(6.50)
Contracted Bus Services (TMDC)	132.00	139.00	137.00	(2.00)
Total Third Party Contract Operations	185.00	192.00	183.50	(8.50)

Social Media



Communication with customers has always been a focus for DCTA. This year we revamped our website to provide a trip planning tool using Google Transit. We have actively worked to engage our customers through social media including Twitter, Facebook, LinkedIn, WordPress and Foursquare. DCTA President Jim Cline uses Twitter to personally engage customers. These efforts have increased the Authority's "wired" presence and enabled staff to interact with customers in new ways.

DCTA has recently implemented GOREquest, a web-based and smartphone application that allows customers to offer suggestions, recommendations and forward complaints. All comments are monitored by management, logged and tracked to completion with a required seven day resolution time.

DCTA continues to focus on implementing tools that offer passengers mobile information and make transit travel more convenient.

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
<u>PRESIDENT</u>					
Salary, Wages & Benefits	\$ 183,507	\$ 400,466	\$ 448,948	\$ 439,148	\$ 545,783
Services	554,192	436,111	371,000	988,000	425,418
Materials & Supplies	22,187	19,315	42,760	47,085	55,790
Utilities	9,562	15,268	14,400	14,400	18,000
Insurance & Casualties	-	-	-	-	-
Miscellaneous	90,096	80,338	77,650	87,825	117,751
Leases & Rentals	167,731	168,465	152,229	152,229	155,025
Depreciation	2,212,260	(2,352,523)	-	-	680
Total Operating Expense	\$ 3,239,534	\$ (1,232,560)	\$ 1,106,987	\$ 1,728,687	\$ 1,318,447
Full-Time Equivalents	4.0	4.0	5.5	5.5	5.0

MATERIAL BUDGET ITEMS:

- One-time lump sum payment of \$80 thousand to achieve a 95% funded ratio on our retirement plan
- Pay plan adjustment of \$25 thousand included in 2014 budget
- Reduction of legal fees

President	
FY14 Objectives & Tasks / Performance Measures	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement	
OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• 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 steps	
OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• 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 and regional rail initiatives	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement	

President	
FY13 Performance Measure Results/Status	
ADDITIONAL RESPONSIBILITY INCLUDES TRACKING PROGRESS TOWARD GOALS IN ALL AREAS	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement 	<u>Results / Status:</u> <ul style="list-style-type: none"> Signed NTRPRA Document with DART and the T
OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 steps 	<u>Results / Status:</u> <ul style="list-style-type: none"> Participated in Denton County Days trip to Austin, TRTC, I35W Coalition, DRMC, TCNT, NCTCOG and Chamber Luncheons. Continued efforts with NCTPRA, I35W Coalition, TRTC, DRMC, TCNT, and NCTCOG DCTA Staff and Board members made presentations at all larger Denton County entities except Corinth
OBJECTIVE: Negotiate potential pilot programs and partnerships to introduce transit services into communities where service is not currently available	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 and regional rail initiatives 	<u>Results / Status:</u> <ul style="list-style-type: none"> Legislation was introduced, but was not approved T Board members hosted a tour of the A-train facilities, cooperating on joint operations agreement inclusive of TexRAIL
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Actively participate in the planning and implementation of regional rail and execution of revised Tri-Party Agreement 	<u>Results / Status:</u> <ul style="list-style-type: none"> NCTPRA Agreement executed; pursuing joint rail operating agreement and joint PTC agreement

General and Administrative Division Budgets

FINANCE

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

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

Departmental functions include responsibilities for the accounting and 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 65-66.

COST CLASSIFICATION	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
FINANCE					
Salary, Wages & Benefits	\$ 461,001	\$ 521,601	\$ 585,397	\$ 585,397	\$ 622,921
Services	139,814	189,112	268,658	315,708	356,804
Materials & Supplies	1,946	2,475	-	-	1,000
Utilities	-	-	-	-	-
Insurance & Casualties	4,207	4,910	5,400	9,035	11,420
Miscellaneous	7,495	7,054	9,701	9,701	16,136
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 614,463	\$ 725,153	\$ 869,156	\$ 919,841	\$ 1,008,281
Full-Time Equivalents	6.0	6.0	6.0	6.0	6.0

MATERIAL BUDGET ITEMS:

- Merit Pay of 3.5% included in 2014
- Addition of Mobile Ticketing Credit Card Clearing Fees
- Addition of \$40 thousand for Grant Compliance Software

General and Administrative Division Budgets

Finance	
FY14 Objectives & Tasks / Performance Measures	
GOAL 1:	<i>Maximize service efficiency and reliability</i>
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements • Insure timely procurement of required maintenance goods and services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day • Quarterly Capital projects meetings to review/close/capitalize completed projects in timely manner • Insure activite participation in procurement contracts for bus operating and rail opertating services 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold Level • Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync • Maintain well defined annual budget process that incorporates opportunity for public input 	
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact 	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • More frequent meetings to discuss and coordinate special projects, events or issues • Quarterly meetings with DART and The T on regional services issues 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG • Develop plan to identify and secure funding, in conjuncton with regional transit agencies, for safety initiatives 	
<p>OBJECTIVE: 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"> • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	

General and Administrative Division Budgets

Finance	
FY14 Objectives & Tasks / Performance Measures (continued)	
GOAL 6:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	
<p>OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify sustainable options for service enhancements during schedule update and annual budget process 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Identify funding methods and sources for capital needs outlined in long-range service plan Establish method for prioritization of projects that will be supported 	
GOAL 8:	<i>Financial excellence by fiscally sound financial planning and sustainable budgets that reflects community priorities and values</i>
<p>OBJECTIVE: Establish and maintain high bond ratings</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations Complete an analysis of potential impact of I-35E construction to sales tax revenue and rideship 	
<p>OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Adopt a 5-Year capital plan as part of the annual budget process Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs and service enhancements 	
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Complete sales tax audit Implement review of risk insurance coverage for DCTA operations Continue to develop full functionality of new financial system with focus on reporting capabilities Insure proper grant management and timely reporting Monitor and insure timely reimbursement of all allowable grant expenditures Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x 	
<p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies Achieve unqualified audit opinion and completion of annual audit within 6 months of year end Receive Government Finance Officers Assoc. Distinguished Budget Award for budget document and process Receive Government Finance Officers Assoc. Certificate of Excellence in Financial Reporting for comprehensive annual financial report Maintain compliance and accountability of P-card program Review and update process/procedures annually Implement routine, scheduled review of agency-wide cash management and cash handling processes 	

General and Administrative Division Budgets

Finance	
FY13 Performance Measure Results/Status	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Insure timely vehicle procurements consistent with all operating and funding requirements <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • One Bus procurements completed to support schedule changes 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide accurate and timely financial data used to evaluate services monthly by the 10th working day <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • All financial reports presented monthly to Board on-time • Quarterly review of capital projects to insure timely closure and capitalization 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • One on-line auction held to dispose of surplus equipment and vehicles 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 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) • Optimize visibility and access to procurement opportunities via e-procurement processes using BidSync <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Achieved Silver Award for 2nd consecutive year • 68 procurements processed via Bid-Sync purchasing platform 	
<p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Support regional reciprocal fare agreement with DART and the "T" • Participate in fare payment initiatives that promote regional cooperation • Evaluate use of shared services agreement <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On-going • Completed implementation of new regional mobile ticketing - Go live date Sept. 162013 • On-going 	
GOAL 4:	Expand DCTA's services into areas where transit has a likelihood of success
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide financial review and analysis of new services requests with review of current and long-term impact <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On-going • Cash-flow model adopted annually as part of budget adoption 	
GOAL 5:	Coordinate regional services with other regional transit providers
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • More frequent meetings to discuss special projects, events or issues • Quarterly meetings with DART and The T on regional services issues <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • On-going • DART - on-going; Forth Worth "T" - pending 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity • Support regional initiatives with other transit agencies and NCTCOG <p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • \$12.5 million secured from North Central Texas Council of Gov'ts (NCTCOG). Continue to pursue additional joint funding options • On-going • Regional fare; GoPass Mobile ticketing application; regional funding of Positive Train Control (PTC) 	

General and Administrative Division Budgets

Finance	
FY13 Performance Measure Results/Status (continued)	
GOAL 5:	Coordinate regional services with other regional transit providers
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
Tasks / Performance Measure: <ul style="list-style-type: none"> Actively participate in the planning and implementation of the CottonBelt 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 Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	Results / Status: <ul style="list-style-type: none"> Pending. State legislative funding initiative unsuccessful Complete On-going
GOAL 6:	Tie the provision of transit to land-use and the resulting demand levels
OBJECTIVE: Existing services that significantly exceed standards should be augmented	
Tasks / Performance Measure: <ul style="list-style-type: none"> Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	Results / Status: <ul style="list-style-type: none"> On-going. Long range cashflow model utilized to determine long-term impact of service enhancements
OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods	
Tasks / Performance Measure: <ul style="list-style-type: none"> Identify affordable options for service enhancements during schedule update 	Results / Status: <ul style="list-style-type: none"> Mid-year enhancement to A-train and Connect service implemented
GOAL 7:	Advocate sustainable development practices that support transit
OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs	
Tasks / Performance Measure: <ul style="list-style-type: none"> Identify funding methods and sources for capital needs in long-range service plan 	Results / Status: <ul style="list-style-type: none"> On-going
GOAL 8:	Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values
OBJECTIVE: Establish and maintain high bond ratings	
Tasks / Performance Measure: <ul style="list-style-type: none"> Prepare agency to obtain credit rating by making progress toward incorporating criteria for top management characteristics of highly rated municipal/governmental credits into DCTA operations 	Results / Status: <ul style="list-style-type: none"> 8 of 10 criteria met; Task for FY14 will be to obtain bond rating
OBJECTIVE: Develop capital and funding plans for critical infrastructure, replacement and maintenance	
Tasks / Performance Measure: <ul style="list-style-type: none"> Adopt a 5-Year capital plan as part of the annual budget process Continue utilization of Long-Term Financial Planning cash flow model to guide decision making for capital needs 	Results / Status: <ul style="list-style-type: none"> Complete On-going
OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services	
Tasks / Performance Measure: <ul style="list-style-type: none"> Complete sales tax audit Implement review of risk insurance coverage for DCTA operations Develop full functionality of new financial system Insure proper grant management and timely reporting Monitor and insure timely reimbursement of all allowable grant expenditures Establish and maintain reserves per adopted Financial Policies Maintain internal debt coverage ratio at 1.25x 	Results / Status: <ul style="list-style-type: none"> On hold On-hold On-going Complete On-going Complete Complete
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse	
Tasks / Performance Measure: <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies Achieve unqualified audit opinion and completion of annual audit within 6 months of year end Earn Government Finance Officers Assoc. recognition for Distinguished Budget Award and Certificate of Excellence in Financial Reporting Maintain well defined annual budget process that incorporates opportunity for public input Maintain compliance and accountability of P-card program Review and update process/procedures annually Continue to meet criteria for TX State Comptrollers Transparency Project - Leadership Circle Silver Award. Present options to meet Gold level. 	Results / Status: <ul style="list-style-type: none"> On-going; Procurement System review by FTA completed all items successfully closed On-going Complete Complete Complete On-going On-going Silver Award achieved

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
MARKETING & COMMUNICATIONS					
Salary, Wages & Benefits	\$ 177,676	\$ 201,172	\$ 271,659	\$ 271,659	\$ 330,560
Services	340,841	250,290	222,600	264,340	418,085
Materials & Supplies	93,648	44,869	18,000	18,000	38,525
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	11,608	15,112	34,795	16,755	18,370
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 623,773	\$ 511,443	\$ 547,054	\$ 570,754	\$ 805,540
Full-Time Equivalents	2.0	2.0	3.0	3.0	4.0

MATERIAL BUDGET ITEMS:

- Merit pay of 3.5% included
- IT Support Manager position has been added in the FY14 budget
- Special I-35 Construction Communication Campaign included for \$90 thousand
- Design of responsive website
- Passenger Information Improvements Implementation Phase II included. This project will improve passenger information design allowing it to be more user-friendly

General and Administrative Division Budgets

Communications & Marketing FY14 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service plan Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Survey passengers to obtain feedback of service delivery satisfaction <p>OBJECTIVE: Ensure routes are easy to understand Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Continue to implement the Passenger Information Communication Architecture in phases to improve the readability of passenger information 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service area Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Increase community outreach with planning staff to employment centers and high density residential service areas Hold bi-annual meetings to collect feedback regarding potential service modifications Engage passengers and community members in social media conversations Continue to utilize GoRequest, online customer service tool to collect additional feedback from passengers 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Annual marketing initiatives will include Commuter 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 <p>OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services Tasks / Performance Measure:</p> <ul style="list-style-type: none"> 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 Continue to implement the Passenger Information Communication Architecture in phases to improve the readability of passenger information Develop mobile website (January 2014) Implement Where's My Ride predictive travel information (January 2014) Implement SMS text rider alert system as part of the Where's My Ride project (January 2014) Intergrate Where's My Ride technology into GoPass, regional mobile ticketing application (March 2014) <p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan Actively engage and inform the public through a variety of formats including traditional and social media Provide regular communication with stakeholders during capital project development and implementation Provide presentation opportunities to civic groups and neighborhood associations <p>OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Number of marketing partnerships and employer outreach Number of relevant community events and individuals reached Implement a transit advertising program that encourages local participation and generates additional non-operating revenue Develop and execute a marketing campaign focused on congestion mitigation during the I-35E construction project 	

Communications & Marketing	
FY14 Objectives & Tasks / Performance Measures (continued)	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
OBJECTIVE: Consider joint operations/shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Continue partnering with DART, the T and TRE on cross promotional opportunities including regional initiatives and special events• Collaborate with DART on the development and execution of the Veterans Transportation & Community Living Initiative (VTCLI).• Collaborate with the South West Transit Association on the implementation and promotion of the Operation Veterans in Public Transportation (OVIPT).	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Quarterly meetings with customer service staff• Quarterly meetings with marketing & communications staff• More frequent meetings to discuss special projects, events or issues• Regular meetings with TxDOT communications team during 35Express project	
OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas	
<u>Tasks / Performance Measure:</u>	
<ul style="list-style-type: none">• Participate in regional events• Target Denton County employers that have employees driving from outside of Denton County• Evaluate vanpool opportunities for Wise County residents who work in Denton County• Promote ridesharing opportunities through use of DCTA's station parking lots	

General and Administrative Division Budgets

Communications & Marketing FY13 Performance Measure Results/Status	
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 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 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Received three SWTA Spotlight awards for marketing initiatives • Will continue to be an on-going effort for the agency • DCTA's public relations efforts yielded an estimated earned media value exceeding \$201,000
OBJECTIVE: Provide easy-to-understand signage and passenger information that promotes the ease of use of the Authority's services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 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 • Implement SMS text rider alert system • Develop mobile website 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Completed and will continue to be an on-going effort for the agency • Completed 11 focus groups and will continue to be an on-going effort for the agency • Design completed and scheduled for implementation in January 2014 • Will be integrated with the Where's My Ride project • Design complete of a new responsive design website will be implemented in January 2014
OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Encourage public participation by conducting public meetings and community outreach in accordance with the Authority's Public Involvement Plan • Actively engage and inform the public through a variety of formats including traditional and social media • Provide regular communication with stakeholders during capital project development and implementation • Provide presentation opportunities to civic groups and neighborhood associations 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Held 9 public meetings and will continue this on-going agency effort • Increased social media engagement by increasing the number of followers by 35% • Provided updates at 9 public meetings and will continue this on-going agency effort • Will continue to be an on-going effort for the agency
OBJECTIVE: Partner with local organizations, businesses, municipalities and other agencies to enhance DCTA's community outreach and information efforts <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • 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 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Will continue to partner with DART, TRE and the T, local apartment managers, convention and visitor's bureaus, hoteliers, universities and special event organizers on special event promotions and bulk pass sales opportunities • DCTA participated over 100 events and reached over 231,000 individuals • Collaborating with UNT on transit advertising program will be implemented in early 2014
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with marketing & communications staff • More frequent meetings to discuss special projects, events or issues 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Will continue to be an on-going effort for the agency • Completed and will continue to be an on-going effort for the agency • Completed and will continue to be an on-going effort for the agency
OBJECTIVE: Ensure promotion of vanpools and other ridesharing opportunities at major employers throughout North Texas <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> • Participate in regional events • Target Denton County employers that have employees driving from outside of Denton County • Evaluate vanpool opportunities for Wise County residents who work in Denton County • Promote ridesharing opportunities through use of DCTA's station parking lots 	
	<u>Results / Status:</u> <ul style="list-style-type: none"> • Participated in more than ten regional events and will continue to be an on-going effort for the agency • Completed and will continue to be an on-going effort for the agency • DCTA has increased the number of operating Commuter Vanpools from five to 24. • Completed and will continue to be an on-going effort for the

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
PLANNING					
Salary, Wages & Benefits	\$ -	\$ 47,094	\$ 130,887	\$ 130,887	\$ 205,657
Services	88,015	21,783	22,500	22,500	28,000
Materials & Supplies	-	-	-	-	300
Utilities	-	-	-	-	-
Insurance & Casualties	-	-	-	-	-
Miscellaneous	650	1,683	8,222	8,222	11,720
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 88,665	\$ 70,560	\$ 161,609	\$ 161,609	\$ 245,677
Full-Time Equivalents	0.0	0.0	1.75	1.75	2.75

MATERIAL BUDGET ITEMS:

- The Senior Planner position was filled in 2013. FY14 contains a full year of salary and benefits for the position.

General and Administrative Division Budgets

Planning & Service Development FY14 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA Tasks / Performance Measure:</p> <ul style="list-style-type: none"> 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. 	
<p>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:</p> <ul style="list-style-type: none"> Improve average headways in Lewisville and Denton Improve overall service delivery with each planned schedule update 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Minimize service overlap/duplications</p> <ul style="list-style-type: none"> Evaluate UNT/Connect campus routes and identify areas to leverage the two services Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	
<p>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:</p> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January Improve the Denton and Lewisville Connect system through thorough evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
<p>OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Install 3 bus shelters in Denton Construct additional recreational parking near Highland Village/Lewisville Lake Complete design of Phase Two and Phase Three of the Rail Trail. Install schedule holders along the bus routes in Lewisville and Denton and rail stations Complete Community Enhancement Project 	
GOAL 4:	Expand DCTA's services into areas where transit has a likelihood of success
<p>OBJECTIVE: Provide outreach to non-participating cities and other potential public or private partners Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Work with region to encourage local participation of corridor planning of the key corridors identified in the Service Plan Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps 	
<p>OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently available Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Meet with Board members and elected officials in those key corridors to measure interest and need to determine appropriate next steps Partner with DART, The T and SPAN on appropriate opportunities Promote the vanpool program in areas that are currently not served by DCTA 	
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p>	

General and Administrative Division Budgets

Planning & Service Development	
FY14 Objectives & Tasks / Performance Measures (continued)	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Quarterly meetings with planning staff • More frequent meetings to discuss special projects, events or issues 	
<p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control • Support regional initiatives with other transit agencies and NCTCOG 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • 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 	
<p>OBJECTIVE: Work with Denton County and its jurisdictions to enact zoning regulations that facilitate dense transit-oriented development to be focused near A-train and future rail or express bus stations</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide technical assistance to local and regional officials 	
<p>OBJECTIVE: Support the establishment of building orientation and pedestrian accessibility recommendations for new development, so that the development that occurs is convenient to the transit rider</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Monitor new development activity in member cities and provide feedback 	
<p>OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide technical assistance to development of professionals to encourage transit supportive development 	
<p>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</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-dependent land uses 	
<p>OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Monitor projects along the corridor. Support public and private development by serving as a technical resource on the planning and construction of infrastructure projects that complement and enhance DCTA's system operational needs and long-range plans 	
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
<p>OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Manage contract compliance in accordance with federal standards on federally funded projects • Timely reporting of transit data and project milestones to staff and appropriate state and federal agencies 	

General and Administrative Division Budgets

Planning & Service Development FY13 Performance Measure Results/Status	
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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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. 	
<u>Results / Status:</u> <ul style="list-style-type: none"> In process, 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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Improve overall service delivery with each planned schedule update 	
<u>Results / Status:</u> <ul style="list-style-type: none"> On Going 	
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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Complete, Ongoing 	
GOAL 3:	Increase the visibility and elevate the image of the Authority
OBJECTIVE: Improve the passengers' experience through enhanced bus stops and passenger amenities <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 23 installed. Kiosks installed. Additional information holders in 2014. 	
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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 steps 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Met with cities to discuss state legislative strategy and participated with local chambers on regional lunches for elected officials. Regular meetings with regional partners and briefings with local communities. Briefings with local communities. 	
OBJECTIVE: Negotiate potential pilot programs and partnership to introduce transit services into communities where service is not currently available <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Ongoing Ongoing Currently at max capacity 	
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 Performance Measure Results/Status (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: <ul style="list-style-type: none"> Quarterly meetings with customer service staff More frequent meetings to discuss special projects, events or issues 	Results / Status: <ul style="list-style-type: none"> Ongoing Ongoing
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
Tasks / Performance Measure: <ul style="list-style-type: none"> Pursue joint funding for positive train control Pursue joint funding for passenger information and planning tools that encourage seamless connectivity Support regional initiatives with other transit agencies and NCTCOG 	Results / Status: <ul style="list-style-type: none"> \$12,500,000 million has been awarded by RTC Ongoing Ongoing
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: <ul style="list-style-type: none"> 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 	Results / Status: <ul style="list-style-type: none"> Participated in Denton and Lewisville comprehensive planning efforts. Met with city staff to discussion TOD pallnign initiatives. In process Ongoing
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: <ul style="list-style-type: none"> Provide technical assistance to local and regional officials 	Results / Status: <ul style="list-style-type: none"> Ongoing
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: <ul style="list-style-type: none"> Monitor new development activity in member cities and provide feedback 	Results / Status: <ul style="list-style-type: none"> Ongoing
OBJECTIVE: Encourage higher density development and relaxed parking requirements in neighborhoods within easy access to high-ridership corridors	
Tasks / Performance Measure: <ul style="list-style-type: none"> Provide technical assistance to development of professionals to encourage transit supportive development 	Results / Status: <ul style="list-style-type: none"> Ongoing
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: <ul style="list-style-type: none"> Serve as a technical resource for Denton County and local jurisdictions in the development of policies associated with transit-dependent land uses 	Results / Status: <ul style="list-style-type: none"> Ongoing
OBJECTIVE: Support infrastructure projects, especially along the transit corridors, that complement and/or enhance the system's operational needs	
Tasks / Performance Measure: <ul style="list-style-type: none"> 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 	Results / Status: <ul style="list-style-type: none"> Ongoing
GOAL 8:	Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that
OBJECTIVE: Maintain a transparent financial environment free of fraud, waste and abuse	
Tasks / Performance Measure: <ul style="list-style-type: none"> Manage grant and contract compliance in accordance with federal standards on federally funded projects Timely reporting of transit data, project milestones and grant progress to the Board, NCTCOG and appropriate state and federal agencies 	Results / Status: <ul style="list-style-type: none"> Ongoing Ongoing

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
HUMAN RESOURCES					
Salary, Wages & Benefits	\$ 67,610	\$ 83,301	\$ 83,474	\$ 83,474	\$ 86,954
Services	39,063	38,019	16,700	19,700	29,100
Materials & Supplies	14,498	37,338	-	-	-
Utilities	-	-	-	-	-
Insurance & Casualties	2,598	1,085	4,188	-	-
Miscellaneous	1,710	1,293	2,795	2,795	32,630
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 125,478	\$ 161,037	\$ 107,157	\$ 105,969	\$ 148,684
Full-Time Equivalents	1.0	1.0	1.0	1.0	1.0

MATERIAL BUDGET ITEMS:

- Merit Pay included at 3.5%
- Addition of a Wellness Program in FY14

General and Administrative Division Budgets

Human Resources	
FY14 Objectives & Tasks / Performance Measures	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	

Human Resources	
FY13 Performance Measure Results/Status	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Ensure transparency and openness to the public throughout all of the agency activities</p>	
<p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Maintain DCTA Employment website with current opportunities and provide reliable information for those seeking employment • Identify opportunities for collaboration with local universities on internships and relevant research • Maintain a competitive compensation and benefits package for employees • Identify opportunities to incorporate Goals for Success developed during agency-wide unity process • Implement targeted programs and incentives that address employee safety, wellness, professional development and productivity 	<p><u>Results / Status:</u></p> <ul style="list-style-type: none"> • Completed 10 job postings in FY13, received over 500 applications; NeoGov recruiting software will be implemented in FY14. • On-going • On-going • Employee Unity Project on-going; Staff retreat held to develop next initiatives • Established a Wellness Committee; this will continue to be an on-going effort for the agency

TRANSIT OPERATIONS - ADMIN

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

COST CLASSIFICATION	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
TRANSIT OPERATIONS - ADMIN					
Salary, Wages & Benefits	\$ 474,714	\$ 503,768	\$ 215,124	\$ 215,124	\$ 167,837
Services	35,809	47,208	35,174	35,174	61,000
Materials & Supplies	28,869	12,687	14,200	14,200	11,700
Utilities	-	-	-	-	-
Insurance & Casualties	-	709	-	-	-
Miscellaneous	35,939	19,130	19,326	19,326	14,440
Leases & Rentals	-	-	-	-	-
Depreciation	-	-	-	-	-
Total Operating Expense	\$ 575,332	\$ 583,502	\$ 283,825	\$ 283,825	\$ 254,977
Full-Time Equivalents	5.0	5.0	2.0	2.0	1.0

MATERIAL BUDGET ITEMS:

- FTE has been reduced due to the Senior Planner position relocating to the Planning Department.

General and Administrative Division Budgets

Transit Operations	
FY14 Objectives & Tasks / Performance Measures	
GOAL 1:	Maximize service efficiency and reliability
<p>OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pullout requirements for DCTA Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Effectively manage completion of and transition into the Bus Operations & Maintenance Facility. Target completion date is January 2014. No more than 2 accidents per 100,000 miles for DCTA Bus Operations Maintain zero FRA reportable worker injuries Maintain rail vehicle up-time at 90% 100% of preventative maintenance performed on-time Ensure timely vehicle procurements consistent with all operating and funding requirements 	
<p>OBJECTIVE: Operate on-schedule within adopted on-time performance standards Tasks / Performance Measure:</p> <ul style="list-style-type: none"> 95% on-time performance for bus services 99% on-time performance for rail services 	
<p>OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Increase Access passengers per hour to 2.25 Increase system ridership by 3% Decrease cost per passenger system wide by 3% 	
<p>OBJECTIVE: Minimize non-revenue hours operated on all services Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Revenue Service Hours to Total Hours Ratio (+85%) 	
<p>OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Conduct auctions and ensure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
<p>OBJECTIVE: (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 Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Achieve average headway of 35 minutes in Lewisville and 40 minutes in Denton Improve overall service delivery with each planned schedule update 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
<p>OBJECTIVE: Minimize service overlap/duplications Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Evaluate UNT/Connect campus routes and identify areas to leverage the two services Evaluate Access and Connect RSVP and determine opportunities to leverage the two services to cover Non-ADA service in Lewisville and Highland Village 	
<p>OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Improve the Denton and Lewisville Connect system through thorough evaluation of existing route structure to identify areas to improve existing services, provide greater efficiencies and opportunities for expansions to better serve major employment and residential areas. 	
<p>OBJECTIVE: Ensure routes are easy to understand Tasks / Performance Measure:</p> <ul style="list-style-type: none"> Provide 100 separate travel training sessions Effectively train 30 individuals to take trips on Connect and the A-train 	
<p>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:</p> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January 	

General and Administrative Division Budgets

Transit Operations FY14 Objectives & Tasks / Performance Measures (Continued)	
GOAL 3:	<i>Increase the visibility and elevate the image of the Authority</i>
<p>OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit network • Number of GoRequest interactions and average response time. Goal of closure within seven days • Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call • Coordinate with regional customer service staff to ensure seamless connectivity • Evaluate call center infrastructure and staffing to ensure both are adequate 	
GOAL 4:	<i>Expand DCTA's services into areas where transit has a likelihood of success</i>
<p>OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services</p> <ul style="list-style-type: none"> • Review all service expansions and proposals in advance of implementation to ensure adherence to System Performance and Design Standards. 	
GOAL 5:	<i>Coordinate regional services with other regional transit providers</i>
<p>OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with planning staff • More frequent meetings to discuss special projects, events or issues <p>OBJECTIVE: Co-author grant applications with regional agencies and planning entities</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Pursue joint funding for positive train control <p>OBJECTIVE: 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"> • Actively participate in the planning and implementation of the CottonBelt • Participate in regional commuter rail operations and maintenance procurement. • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	
GOAL 6:	<i>Tie the provision of transit to land-use and the resulting demand levels</i>
<p>OBJECTIVE: Existing services that fail to achieve established performance standards should be considered for remedial action</p> <p>OBJECTIVE: Existing services that significantly exceed standards should be augmented</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level <p>OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Bring forward affordable options for service enhancements during schedule update 	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
<p>OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Continue the development of positive relationships with member city staffs in order to promote transit supportive development 	
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that reflect community priorities and values</i>
<p>OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services</p> <p><u>Tasks / Performance Measure:</u></p> <ul style="list-style-type: none"> • Develop scope and procure a new Bus Operations and Maintenance contract 	

General and Administrative Division Budgets

Transit Operations FY13 Performance Measure Results/Status	
GOAL 1:	Maximize service efficiency and reliability
OBJECTIVE: Ensure availability of sufficient safe and reliable in-service vehicles to meet the daily pull-out requirements for DCTA <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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. No more than 2 accidents per 100,000 miles for DCTA Bus Operations Maintain zero FRA reportable worker injuries Maintain rail vehicle up-time at 90% 100% of preventative maintenance performed on-time Ensure timely vehicle procurements consistent with all operating and funding requirements 	
<u>Results / Status:</u> <ul style="list-style-type: none"> In process, completion date is January 2014 2.07 accidents per 100,000 miles Zero injuries 100% 100% Expanded the fleet size for Route 21 in Lewisville. 	
OBJECTIVE: Operate on-schedule within adopted on-time performance standards <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 95% on-time performance for bus services 99% on-time performance for rail services 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 95% OTP 99.25% OTP 	
OBJECTIVE: Consistently monitor and evaluate services in accordance with adopted service standards <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Increase Access passengers per hour to 2.25 Increase system ridership by 10% Decrease cost per passenger system wide 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 1.9 Access passengers per hour System ridership increase by 1.22 % Net operating cost per passenger decreased 38% (from \$7.76 in FY12 to \$4.78 in FY13) 	
OBJECTIVE: Minimize non-revenue hours operated on all services <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Revenue Service Hours to Total Hours Ratio (+85%) 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 92.75% (Bus - 92.87, Rail - 91.25%) 	
OBJECTIVE: Maintain a minimum/maximum fleet size that ensures an optimal spare to in-service fleet ratio <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Conduct auctions and insure timely and proper disposal of vehicles and other equipment (Spare Ratio <= 20%) 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Auctions conducted and Spare ratio = 20% for bus operations and 37.5% for rail operations 	
OBJECTIVE: (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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Improve overall service delivery with each planned schedule update 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Ongoing 	
GOAL 2:	Maximize the effectiveness of service for DCTA's ridership markets
OBJECTIVE: Minimize service overlap/duplications <ul style="list-style-type: none"> Ongoing 	
OBJECTIVE: Provide access to major centers of demand from all parts of the DCTA service areas <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> 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) 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Expanded Route 21 to Water's Ridge. Other improvements planned for January 2014. 	
OBJECTIVE: Ensure routes are easy to understand <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Provide 100 separate travel training sessions Effectively train 30 individuals to take trips on Connect and the A-train 	
<u>Results / Status:</u> <ul style="list-style-type: none"> 47 travel training sessions completed 35 individuals trained 	
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 <u>Tasks / Performance Measure:</u> <ul style="list-style-type: none"> Successfully implement with schedule revisions in August and January 	
<u>Results / Status:</u> <ul style="list-style-type: none"> Completed two service changes. 	

General and Administrative Division Budgets

Transit Operations FY13 Performance Measure Results/Status (Continued)	
GOAL 3: <i>Increase the visibility and elevate the image of the Authority</i>	
OBJECTIVE: Provide more effective communications and marketing tools to promote transit use and to advance the vision, mission and goals of the Authority	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Provide proactive and effective customer service that allows for increased use of DCTA's services and the regional transit network • Number of GovRequest interactions and average response time. Goal of closure within seven days • Monitor call center capacity and customer response through measurement of talk time, hold time and dropped call • Coordinate with regional customer service staff to ensure seamless connectivity • Evaluate call center infrastructure and staffing to ensure both are adequate 	<ul style="list-style-type: none"> • Ongoing • Average 2.5 days to close a request. • 95% answered incoming calls. • Met quarterly with regional transit properties. • Ongoing
GOAL 4: <i>Expand DCTA's services into areas where transit has a likelihood of success</i>	
OBJECTIVE: Ensure that each new service is financially feasible, meets performance standards and does not negatively impact existing services	
GOAL 5: <i>Coordinate regional services with other regional transit providers</i>	
OBJECTIVE: Meet quarterly with transit staff from adjacent properties to review service options and coordination opportunities	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Quarterly meetings with customer service staff • Quarterly meetings with planning staff • More frequent meetings to discuss special projects, events or issues 	<ul style="list-style-type: none"> • Complete. Ongoing effort. • Ongoing • Ongoing
OBJECTIVE: Co-author grant applications with regional agencies and planning entities	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Pursue joint funding for positive train control • Pursue joint funding for passenger information and planning tools that encourage seamless connectivity 	<ul style="list-style-type: none"> • \$12,500,000 secured from RTC • Jointly participated in Go Pass.
OBJECTIVE: Consider joint operations /shared funding of transit services that cross county boundaries	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Actively participate in the planning and implementation of the CottonBelt • 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 • Review all opportunities for shared services and identify opportunities for interlocal agreements that assist DCTA in minimizing expenditures 	<ul style="list-style-type: none"> • Ongoing • Complete • Ongoing
GOAL 6: <i>Tie the provision of transit to land-use and the resulting demand levels</i>	
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>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Utilize long-term financial planning with the cash flow model to define opportunities to fund most promising service level 	<ul style="list-style-type: none"> • Ongoing
OBJECTIVE: Primary transit services focus on corridors where compact development patterns that feature a mix of residential, retail, and employment activities exist. Secondary transit service will operate in a mix of medium density, and in some cases, lower density neighborhoods	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none"> • Bring forward affordable options for service enhancements during schedule update 	<ul style="list-style-type: none"> • Ongoing

General and Administrative Division Budgets

Transit Operations	
FY13 Performance Measure Results/Status (Continued)	
GOAL 7:	<i>Advocate sustainable development practices that support transit</i>
OBJECTIVE: Advocate for transit-friendly building practices, working with planning staff and developers to ensure planned and future development meets transit service access criteria	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Continue the development of positive relationships with member city staffs in order to promote transit supportive development	<ul style="list-style-type: none">Participated in Lewisville and Denton's Comprehensive Plan
GOAL 8:	<i>Strive for financial excellence by maintaining fiscally sound and sustainable financial plans and budgets that</i>
OBJECTIVE: Provide accurate and reliable revenue and expenditure forecasts and maintain budget practices that ensure sustainability and continuity of programs and services	
<u>Tasks / Performance Measure:</u>	<u>Results / Status:</u>
<ul style="list-style-type: none">Begin the development of a joint procurement with DART and The T for contract rail operations and maintenance	<ul style="list-style-type: none">In Process

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
RAIL SERVICES					
Salary, Wages & Benefits	\$ -	\$ 39	\$ 183,424	\$ 193,224	\$ 276,534
Services	129,068	127,974	141,000	141,000	139,252
Materials & Supplies	451,098	1,190,195	1,600,000	1,600,000	1,556,490
Utilities	86,251	300,596	270,400	308,058	327,915
Insurance & Casualties	-	41,429	234,000	327,167	514,477
Purchased Transportation Services	5,537,662	7,605,437	8,430,186	8,430,186	9,331,365
Miscellaneous	-	-	-	-	11,988
Leases & Rentals	305,300	653,815	150,000	266,100	100,000
Depreciation	-	8,316,019	8,381,300	8,381,300	8,100,273
Total Operating Expense	\$ 6,509,380	\$ 18,235,504	\$ 19,390,310	\$ 19,647,035	\$ 20,358,293
DCTA FTE's	0	0	2	2	3
DART Contract FTE's	53	53	53	53	46.5

MATERIAL BUDGET ITEMS:

- Addition of a full-time Administrative Assistant in FY14
- Reflects the first full year of rail vehicle insurance
- Includes a 3% standard contract increase for Purchased Transportation
- Includes \$153 thousand for additional rail mid-day service scheduled to begin in January 2014
- Reduction of lease expense with the termination of the RDC lease in FY13 when DCTA began running Stadler vehicles.
- Fuel budgeted at \$4.15 per gallon in FY14

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

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 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Revised	FY 2014 Budget
CONTRACT BUS SERVICES					
Salary, Wages & Benefits	\$ 4,387,833	\$ 4,535,797	\$ 5,292,312	\$ 5,292,312	\$ 6,042,884
Services	362,075	321,194	310,820	332,160	408,125
Materials & Supplies	1,694,534	1,703,703	1,819,380	2,019,380	2,165,419
Utilities	79,341	80,384	87,940	87,940	101,900
Insurance & Casualties	291,189	314,824	301,144	289,588	272,265
Miscellaneous	1,471	1,577	3,000	4,350	10,050
Leases & Rentals	123,205	120,880	119,101	119,101	29,590
Depreciation	929,071	938,263	939,143	939,143	896,341
Total Operating Expense	\$ 7,868,720	\$ 8,016,622	\$ 8,872,841	\$ 9,083,974	\$ 9,926,574
Bus Contract FTE's	136.5	136.5	139	139	137

MATERIAL BUDGET ITEMS:

- Fuel budgeted at \$4.15 per gallon in FY14
- Increased bus service beginning in January 2014
- Additional Customer Service Representative and Bus Operations Supervisor included in FY14
- Bus operator wage increase based on Union contract
- Increase in health benefits of 15%
- Reduction in lease expense with the completion of the Bus Operations & Maintenance Facility January 2014
- Additional security services included for the Bus Operations & Maintenance Facility

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

Positive Train Control



The Positive Train Control (PTC) project is a part of the federally mandated Rail Safety Improvement Act of 2008 (RSIA).

PTC communication system is required for any railroad lines with regularly scheduled intercity passenger, commuter rail or freight services. PTC refers to train control technology that provides a back-up system capable of reliably and functionally preventing train-to-train collisions, derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position.

DCTA has taken a regional approach to addressing PTC. The agency has partnered with DART for the Trinity Rail Express(TRE) and the Fort Worth “T” for the planned Tex Rail line for regional development and implementation of PTC.

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.

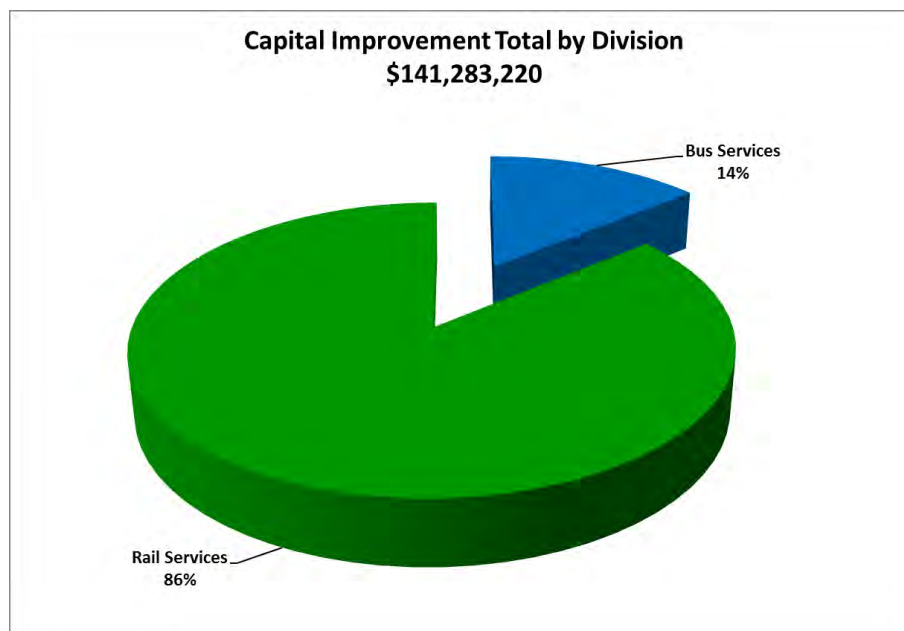
All capital projects should be based upon or be consistent with established agency goals and community needs, both current and future. Department heads should consider established plans such as Board goals, or established maintenance and replacement schedules in developing the CIP projects. Department 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 2014 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 FY14 is \$10.2 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 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)
Bus Services									
Passenger Amenities-Phase 2	50202	138,223	91,103	-	-	-	-	-	229,326
Bus Operations & Maintenance Facility	50301	2,073,478	8,269,062	1,378,177	-	-	-	-	11,720,717
Bus Maintenance Equipment	50302	78,777	421,223	-	-	-	-	-	500,000
Fleet Replacement	50502	2,871,592	540,000	877,998	776,901	258,300	457,500	-	5,782,291
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
Bus Radios	50408	-	-	137,457	-	-	-	-	137,457
Rail Services									
Passenger Information	60701	4,807	51,407	-	-	-	-	-	56,214
Rail Grinding	61102	-	204,000	192,000	-	192,000	-	192,000	780,000
MedPark Extension	61206	-	1,000,000	-	-	-	-	-	1,000,000
Fare Collection Systems	61401	633,129	14,405	-	-	-	-	-	647,534
Traffic Signals	61403	2,654,554	141,623	-	-	-	-	-	2,796,177
Positive Train Control	61406	788,073	750,000	6,000,000	9,470,000	5,894,878	-	-	22,902,951
Rail Cars	61501	77,755,654	2,039,870	-	-	-	-	-	79,795,524
Stadler Cars Implementation	61502	478,319	417,484	-	-	-	-	-	895,803
Community Enhancements	61707	13,091	739,617	-	-	-	-	-	752,708
Lewisville Bike Trail	61708	60,685	86,250	741,520	2,600,941	-	-	-	3,489,396
ROW Fencing	61709	-	25,000	-	-	-	-	-	25,000
Rail Station Improvements	61208	-	15,000	-	-	-	-	-	15,000
HV Parking Expansion	61710	-	250,000	-	-	-	-	-	250,000
Rail Maintenance of Way	61711	-	-	150,000	-	-	-	-	150,000
Rail Maintenance of Equipment	61712	-	-	585,000	1,623,000	260,000	345,000	5,040,000	7,853,000
Rail Single Car Operations	61503	-	-	101,800	-	-	-	-	101,800
TOTAL									
		\$ 87,550,382	\$ 16,458,366	\$ 10,163,952	\$ 14,470,842	\$ 6,605,178	\$ 802,500	\$ 5,232,000	\$ 141,283,220



Project Name: Bus Operations & Maintenance Facility

Project Number: 50301

Statement of Need/Description

The Bus Operations and Maintenance facility project began in FY08. It is located within the City of Denton and includes 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. This project is scheduled for completion in January 2014.



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
Total	\$ 11,720,717	\$ -	\$ -	Total Funding	\$ 11,720,717

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: Fleet Replacement 2014

Project Number: 50504

Statement of Need/Description

The fleet replacement scheduled for FY14 include the replacement of 5 accessible minivans that have exceeded their useful life and replacement of 5 fixed-route cutaways that have exceeded their useful life. These cutaways will be replaced with low-floor cutaways with a larger capacity. DCTA will also replace 2 sedans that serve as service vehicles for our bus operations. All of these will be grant funded at 80%.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-10	\$ -	\$ -	\$ -		
2010-11	-	-	-		
2011-12	-	-	-	State Grants (RTRFI)	\$ -
2012-13	-	-	-	Federal Grants	702,398
2013-14	877,998	-	-	Operating Funds	175,600
Total	\$ 877,998	\$ -	\$ -	Total Funding	\$ 877,998
Change from Previous CIP			Project Notes		
			Coordinating Department: Transit Operations		
No Change					
Increase in Amount					
Decrease in Amount					
New Project			X		

Project Information/Status:



Project Name: Bus Radios

Project Number: 50408

Statement of Need/Description

These radios will replace the cell phone push to talk service that is currently in use that has proven unreliable and costly. This project will utilize the existing infrastructure within the radio towers built for the rail project as well as piggyback on the spectrum acquired for the rail radio system. In the long term this project will save DCTA the operating expense of the monthly cell phone bills while offering a more dependable method of communication for bus operations staff.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-10	\$ -	\$ -	\$ -		
2010-11	-	-	-		
2011-12	-	-	-	State Grants (RTRFI)	\$ -
2012-13	-	-	-	Federal Grants	109,965
2013-14	137,457	-	-	Operating Funds	27,492
Total	\$ 137,457	\$ -	\$ -	Total Funding	\$ 137,457
Change from Previous CIP			Project Notes		
			Coordinating Department: Transit Operations		
No Change					
Increase in Amount					
Decrease in Amount					
New Project		X			

Project Information/Status:



Project Name: Rail Grinding

Project Number: 61103

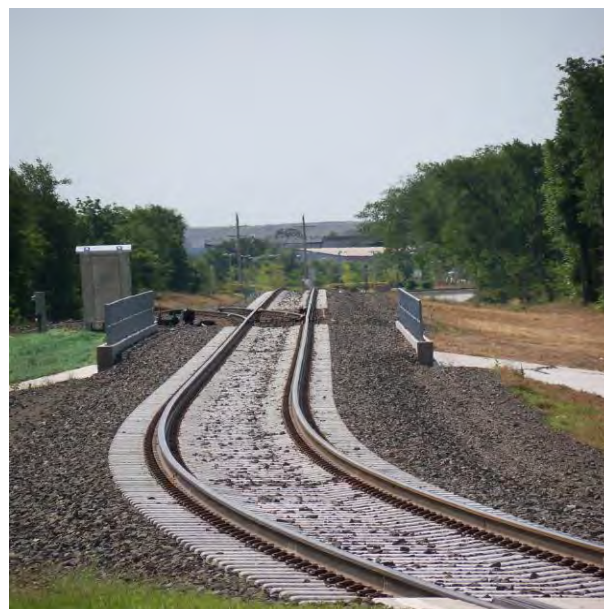
Statement of Need/Description

Rail grinding of the A-train track will be done every two (2) years in order to control the effects of rolling contact fatigue, to restore track profile, and to eliminate material buildup on the track and prolong the useful life. This project incorporates expense for FY14. Capital requirements for additional years are reflected in the cash flow model.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2008-10	\$ -	\$ -	\$ -	State Grants (RTRFI) Federal Grants Operating Funds	\$ - - 192,000
2010-11	-	-	-		
2011-12	-	-	-		
2012-13	-	-	-		
2013-14	192,000	-	-		
Total	\$ 192,000	\$ -	\$ -	Total Funding	\$ 192,000
Change from Previous CIP			Project Notes		
			Coordinating Department: Transit Operations		
No Change					
Increase in Amount					
Decrease in Amount					
New Project		X			

Project Information/Status:



Project Name: Positive Train Control

Project Number: 61406

Statement of Need/Description

The Positive Train Control (PTC) project is a function of the federally mandated Rail Safety Improvement Act of 2008 (RSIA) that mandates PTC be implemented across a significant portion of the Nation's rail industry. Lines requiring PTC include any railroad main lines over which regularly scheduled intercity passenger or commuter rail services are provided. PTC refers to a communication-based/processor-based train control technology that provides a system capable of reliability and functionality preventing train-to-train collisions, overspeed derailments, incursions into established work zone limits, and the movement of a train through a main line switch in the improper position. DCTA has taken a regional approach to PTC and has partnered with Trinity Rail Express and Tex Rail to form the North Texas Commuter Rail Alliance. The Alliance has crafted technical specifications for a regional system that will be published for bid in early CY2014 with implementation beginning later that year.



Year	Capital Cost	Operating Costs	Projected Farebox Revenues	Source(s) of Capital Funding	
2010-11	239,172	\$ -	\$ -		
2011-12	548,901	-	-		
2012-13	750,000	-	-	Debt Issuance	\$ 9,100,000
2013-14	6,000,000	-	-	State Grants (RTC)	12,500,000
2014-15	9,470,000	-	-	Federal Grants	-
2015-16	5,894,878	-	-	Operating Funds	1,302,951
Total	\$ 22,902,951	\$ -	\$ -	Total Funding	\$ 22,902,951

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

Project Information/Status:



Capital Improvement Plan – Project Detail

Project Name: Lewisville Bike Trail

Project Number: 61708

Statement of Need/Description

This project will provide for the construction of an expanded bicycle and pedestrian trail south of Swisher. The expansion south of Lewisville Lake will be built between the Hebron Station and the Highland Village / Lewisville Lake Station. DCTA staff is working with Jacobs Engineering on the design, engineering and contract oversight of this project. Final engineering is expected to be complete in late 2013 with construction beginning in the spring of 2014.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2009-10	-	-	-	State Grants Federal Grants Operating Funds	2,791,516 697,880
2010-11	60,685	-	-		
2011-12	-	-	-		
2012-13	86,250	-	-		
2013-14	741,520	-	-		
2014-15	2,600,941	-	-		
Total	\$ 3,489,396	\$ -	\$ -	Total Funding	\$ 3,489,396

Change from Previous CIP

Project Notes

Coordinating Department: Rail Services

No Change

X

Increase in Amount

Decrease in Amount

New Project

Project Information/Status:



Project Name: Rail Maintenance of Way (MOW)

Project Number: 61711

Statement of Need/Description

The Rail MOW capital project consists of two components. It includes \$50 thousand for a rail scrubber equipped hi-rail vehicle which will alleviate all maintenance costs related to the Swingmaster equipment currently in use. The second component is the installation of additional rip-rap newar the N. Hebron Signal to prevent soil erosion in the event of heavy rains.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2011-12	-	-	-	State Grants	\$ -
2012-13	-	-	-	Federal Grants	-
2013-14	150,000	-	-	Operating Funds	150,000
Total	\$ 150,000	\$ -	\$ -	Total Funding	\$ 150,000

Change from Previous CIP		Project Notes
No Change		Coordinating Department: Transit Operations
Increase in Amount		
Decrease in Amount		
New Project	X	

Project Information/Status:



Capital Improvement Plan - Project Detail

Project Name: Rail Maintenance of Equipment (MOE)

Project Number: 61712

Statement of Need/Description

Rail Maintenance of Equipment will include routine wheel maintenance to extend the life of the vehicles as well as FRA mandated tri-annual maintenance to the brake systems of the vehicles. In FY14 DCTA plans to complete 11 vehicles.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2011-12	-	-	-	State Grants	\$ -
2012-13	-	-	-	Federal Grants	-
2013-14	585,000	-	-	Operating Funds	585,000
Total	\$ 585,000	\$ -	\$ -	Total Funding	\$ 585,000

Change from Previous CIP

Project Notes

Coordinating Department: Transit Operations

No Change

Increase in Amount

Decrease in Amount

New Project

X

Project Information/Status:



Project Name: Rail Single Car Operations

Project Number: 61503

Statement of Need/Description

This capital project will include ongoing testing expenses as well as budget for two single car tests per month during FY14. It also includes \$25 thousand for a Special Tool Traction Motor Holder Cover that enables movement of traction motor to assist in the wheel turning process.



Year	Capital Cost	Operating Costs	Projected Revenues	Source(s) of Capital Funding	
2011-12	-	-	-	State Grants	\$ -
2012-13	-	-	-	Federal Grants	-
2013-14	101,800	-	-	Operating Funds	101,800
Total	\$ 101,800	\$ -	\$ -	Total Funding	\$ 101,800

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	<input checked="" type="checkbox"/>	

Project Information/Status:



Technology Solutions

In addition to implementing technology to enhance the rider experience DCTA is also focusing on technology to improve internal agency processes. In 2014 DCTA will complete the implementation of two software applications - one for an automated recruiting system and another for employee performance evaluation and goals management.

Recruiting, Selection & Applicant Tracking

The new recruiting software will streamline the hiring and selection process from application submittal to hire and is tailored for the unique needs of public sector organizations. The software includes position requisition approval, automatic minimum qualification screening, test statistics and analysis and EEO reporting. It will provide features to improve both the applicant and departmental experience.

Performance Evaluations & Goals Management

This new software will automate DCTA's annual performance and new hire employee appraisal process. It will enable DCTA to maximize productivity, motivate and retain talent, measure competencies and goals, develop succession plans, and automate the entire employee appraisal process. It will help to identify competency and skill gaps within the organization using one-on-one and/or 360 feedback, self-ratings and competency models.



Denton County Transportation Authority
Financial Management Policies

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Purpose

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

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

Objectives

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

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

Reserve Fund Policies

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

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

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

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

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

Revenue Policies

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

Expenditure Policies

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

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

Accounting, Auditing and Financial Reporting

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

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

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

Budget and Operating Policies

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

Purchasing

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

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

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

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

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

Cost Allocation

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

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

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

OMB Circular A-87 establishes cost 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

FY2014

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 (\$414,506)

- 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 (\$621,760)

- 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 (\$829,013)

- 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.

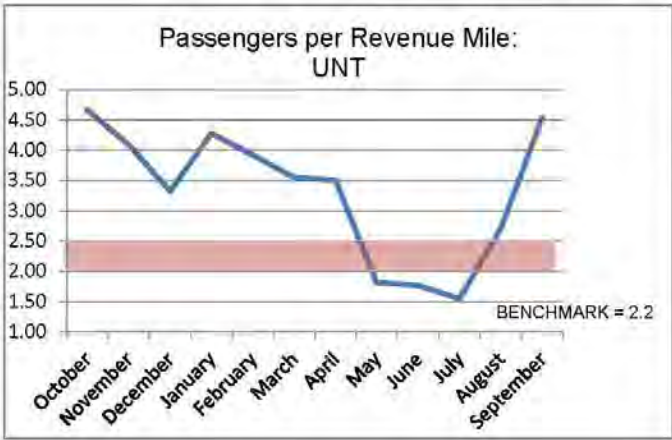
Implementation of Service Level Enhancements Contingency Budget item will require Board action and revision of annual budget.

Operational Statistics

Operational Statistics

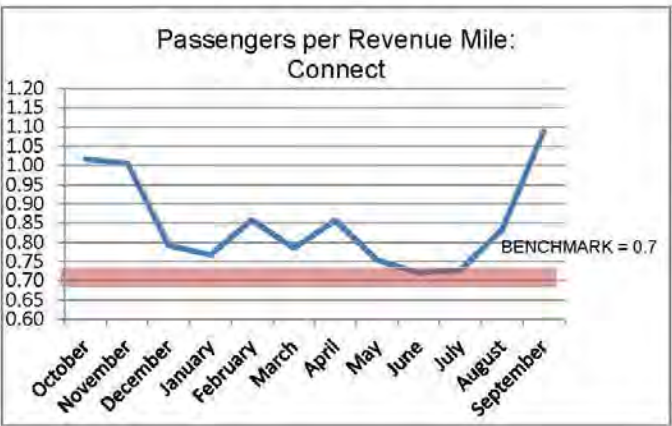
	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Actual	FY 2014 Budget	% CHANGE FY13 Actual v. FY14 Budget
PASSENGERS						
A-train		387,478	398,550	510,738	638,423	25.00%
Access	32,556	29,020	31,541	29,609	30,497	3.00%
Station Shuttle	84,913	23,911	-	-		
Connect	414,493	500,542	655,095	547,730	629,890	15.00%
RSVP	2,317	2,766	2,280	3,003	3,303	9.99%
UNT	1,879,187	2,018,009	2,067,424	1,908,336	1,908,336	0.00%
NCTC	14,436	14,545	8,381	17,908	22,385	25.00%
TOTAL PASSENGERS	2,427,902	2,976,271	3,163,271	3,017,324	3,232,833	7.14%
REVENUE VEHICLE MILES						
A-train		244,783	298,746	299,037	328,940	10.00%
Access	227,359	221,474	219,278	217,830	224,365	3.00%
Station Shuttle	176,204	64,248	-	-		
Connect	564,243	612,982	676,717	642,440	661,714	3.00%
RSVP	13,830	23,132	12,950	19,987	20,587	3.00%
UNT	552,020	547,781	584,103	525,736	525,736	0.00%
NCTC	50,980	49,181	30,865	48,048	49,489	3.00%
TOTAL REVENUE MILES	1,584,636	1,763,581	1,822,659	1,753,078	1,810,831	3.29%
REVENUE HOURS						
A-train		10,005	10,923	11,125	12,238	10.00%
Access	16,668	15,399	16,579	15,837	16,312	3.00%
Station Shuttle	6,155	1,809	-	-		
Connect	39,106	42,989	50,597	49,165	51,623	5.00%
RSVP	1,595	1,576	1,595	1,571	1,650	5.03%
UNT	49,316	49,340	45,965	48,134	48,134	0.00%
NCTC	2,210	2,235	2,698	2,169	2,234	3.00%
TOTAL REVENUE HOURS	115,050	123,353	128,357	128,001	132,191	3.27%
PASSENGERS PER REVENUE HOUR						
A-train		38.72	36.49	45.91	52.17	13.63%
Access	1.95	1.88	1.90	1.87	1.87	0.00%
Station Shuttle	13.80	13.22	-	-		
Connect	10.60	11.64	12.95	11.14	12.20	9.52%
RSVP	1.45	1.76	1.43	1.91	2.00	4.72%
UNT	38	41	45	39.65	39.65	0.00%
NCTC	7	7	3	8.26	10.02	21.36%
AVERAGE	12.07	12.65	16.81	18.12	19.65	8.44%
COST PER REVENUE HOUR						
A-train		\$ 1,019.00	\$ 778.65	\$ 1,000.45	\$ 1,001.64	0.12%
Access	\$ 77.94	80.50	64.67	68.81	77.08	12.03%
Station Shuttle	88.72	54.91	-	-		
Connect	60.44	74.83	64.75	62.95	77.38	22.94%
RSVP	63.05	69.70	60.68	63.05	77.54	22.97%
UNT	55.44	79.83	67.48	62.51	71.92	15.05%
NCTC	61.28	90.95	67.00	63.68	84.29	32.36%
AVERAGE	\$ 67.81	\$ 209.96	\$ 183.87	\$ 220.24	\$ 231.64	5.18%
COST PER PASSENGER						
A-train		\$ 19.75	\$ 27.62	\$ 21.79	\$ 19.20	
Access	\$ 39.91	47.70	33.99	36.80	41.23	12.03%
Station Shuttle	6.54	4.37	-	-		
Connect	5.85	6.34	5.00	5.65	6.34	12.25%
RSVP	44.23	37.73	42.45	32.99	38.73	17.43%
UNT	1.74	1.98	1.50	1.58	1.81	15.05%
NCTC	11.48	19.70	21.57	7.71	8.41	9.06%
AVERAGE	\$ 18.29	\$ 19.65	\$ 20.90	\$ 17.75	\$ 19.29	8.65%
FARE REVENUE PER PASSENGER						
A-train		\$ 1.48	\$ 1.53	\$ 1.43	\$ 1.28	-10.41%
Access	\$ 2.59	2.98	2.61	2.96	2.70	-8.62%
Station Shuttle	1.43	0.23	-	-		
Connect	0.72	0.70	0.59	0.87	0.82	-6.43%
RSVP	1.53	1.15	1.50	5.27	5.16	-2.17%
UNT	1.49	1.37	1.36	1.43	1.63	13.61%
NCTC	8.88	10.23	17.06	5.20	6.46	24.18%
AVERAGE	\$ 2.77	\$ 2.78	\$ 4.11	\$ 2.86	\$ 3.01	5.12%
FAREBOX RECOVERY RATIO						
A-train		7%	7%	7%	7%	1.68%
Access	7%	5%	8%	8%	7%	-18.43%
Station Shuttle	22%	5%	-	-		
Connect	12%	13%	12%	15%	13%	-16.64%
RSVP	3%	2%	4%	16%	13%	-16.69%
UNT	92%	79%	91%	91%	90%	-1.26%
NCTC	80%	44%	79%	67%	77%	13.86%
AVERAGE	36%	22%	34%	34%	34%	0.79%

BUS OPERATIONS PERFORMANCE INDICATORS



The benchmark for university circulators is 2.2 passengers per revenue mile.

With the exception of June and July 2013, UNT service has exceeded the benchmark



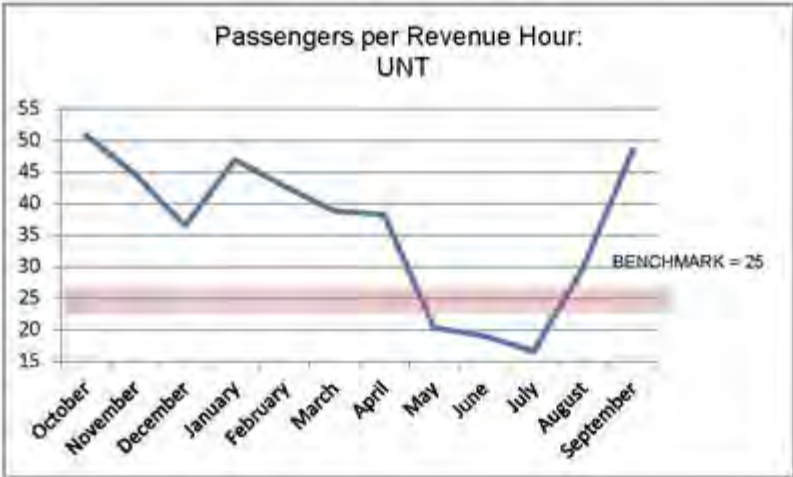
The Lewisville and Denton Connect service is considered a neighborhood feeder. The benchmark is 0.7 passengers per revenue mile.

With the exception of June and July 2013, the Connect service has exceeded the benchmark.

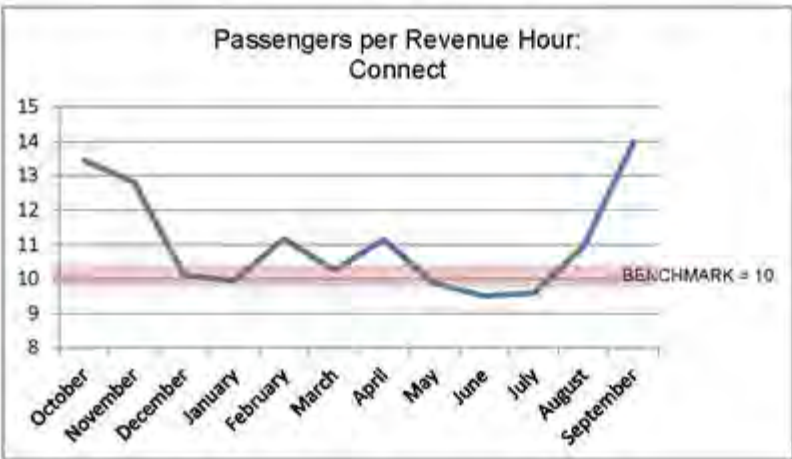


The benchmark for on-call service is 2.5 passengers per revenue hour. Currently, this service is not meeting the threshold. DCTA is working to address efficiencies.

BUS OPERATIONS PERFORMANCE INDICATORS

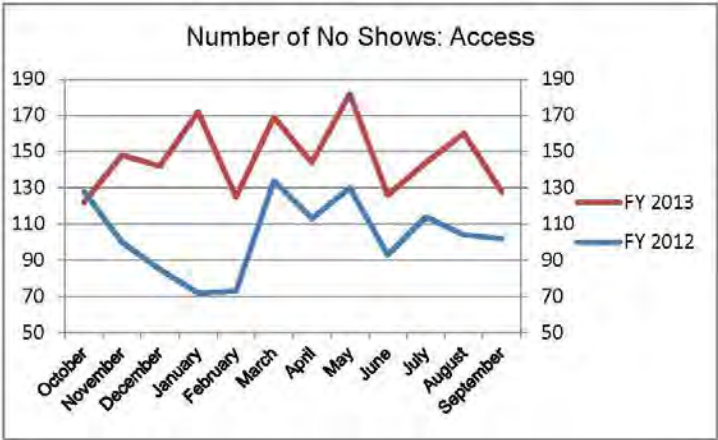


With the exception of June and July 2013, UNT service has exceeded this benchmark.

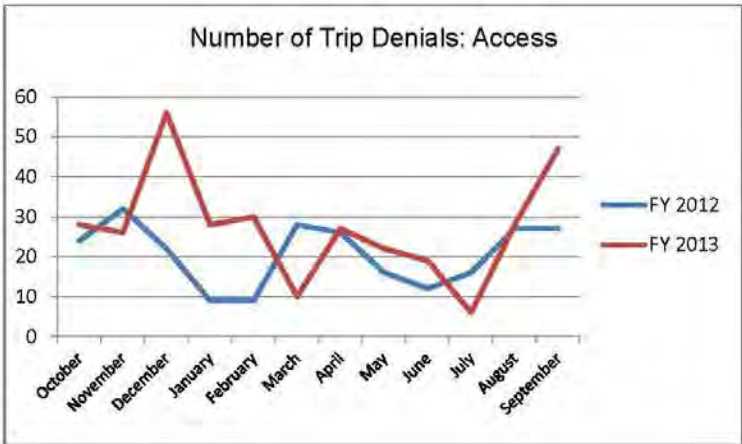


Connect service exceeded the benchmark in October, November, February, April, August and September.

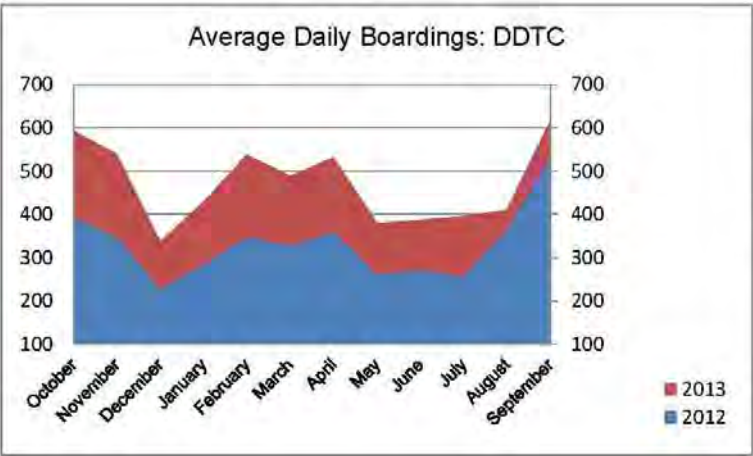
BUS OPERATIONS PERFORMANCE INDICATORS



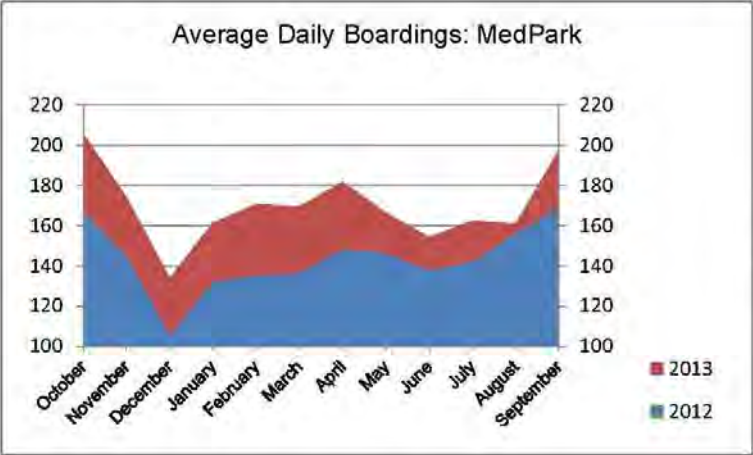
While the number of no shows have decreased from August to September 2013, all months in 2013 were higher relative to 2012.



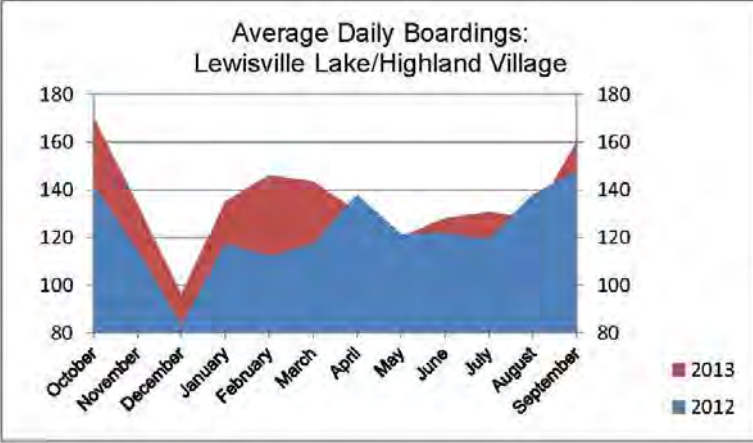
The number of trip denials increased sharply in September 2013 compared to September 2012.



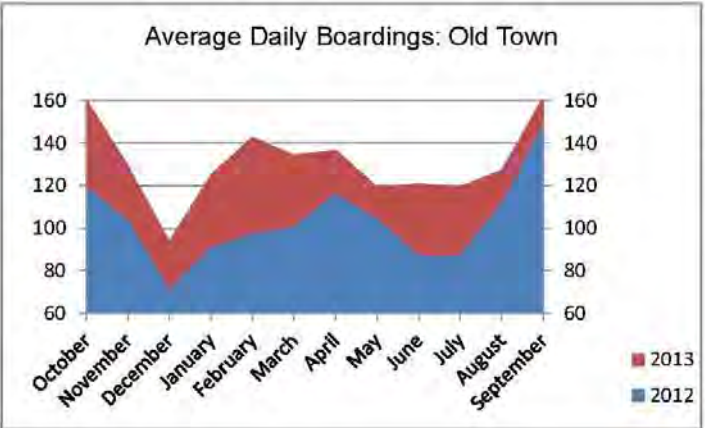
The Downtown Denton Transit Center (DDTC) Station boardings increased by 17 percent from September 2012 to September 2013.



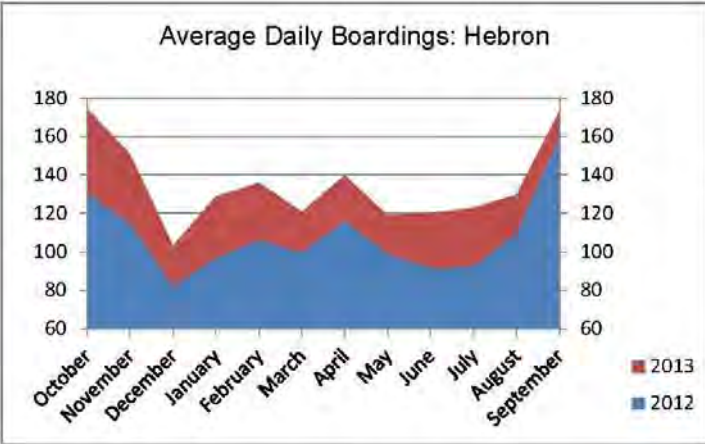
The boardings at the MedPark Station increased by 17 percent when comparing September 2012 to September 2013.



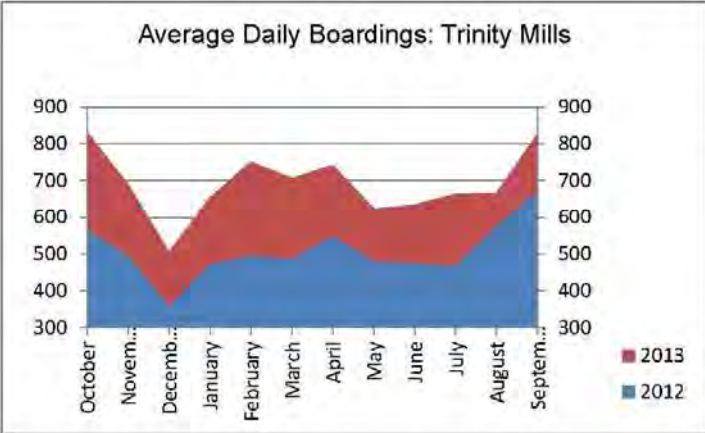
At the Lewisville Lake/ Highland Village Station, boardings increased by 8 percent.



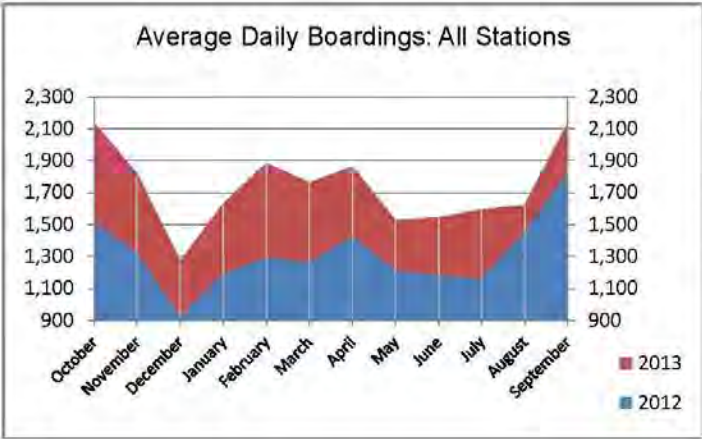
When comparing September 2012 to September 2013, boardings increased by 9 percent at the Old Town Station.



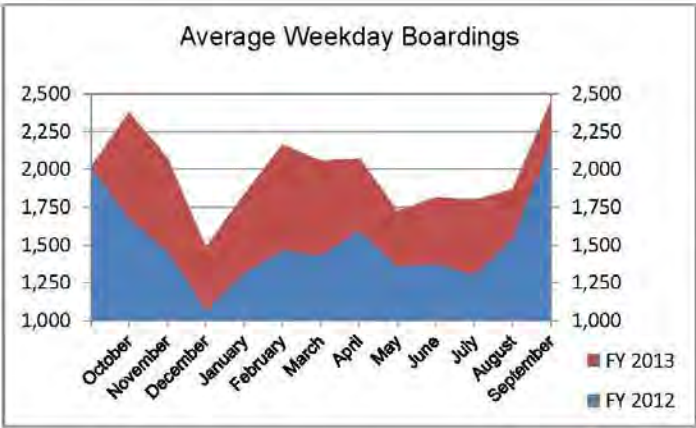
At Hebron Station, boardings increased by 9 percent from last September.



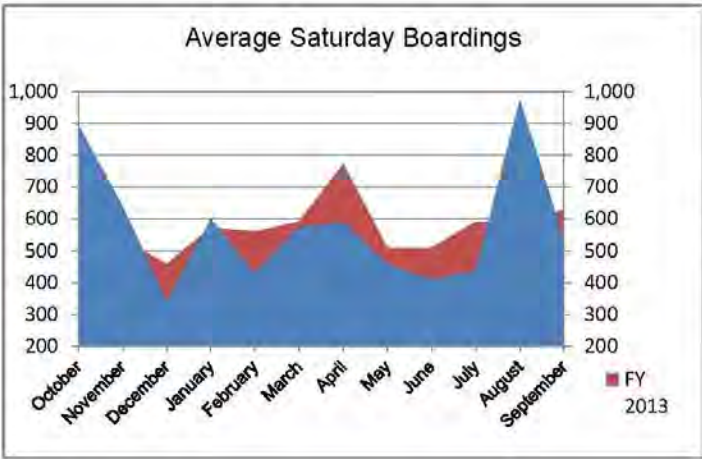
Trinity Mill Station increased by 23 percent.



In FY 2012 (October to September), 1,309 people boarded the train each day on average. In FY 2013 that average jumped to 1,731 which is an increase of 32 percent or 422 boardings.

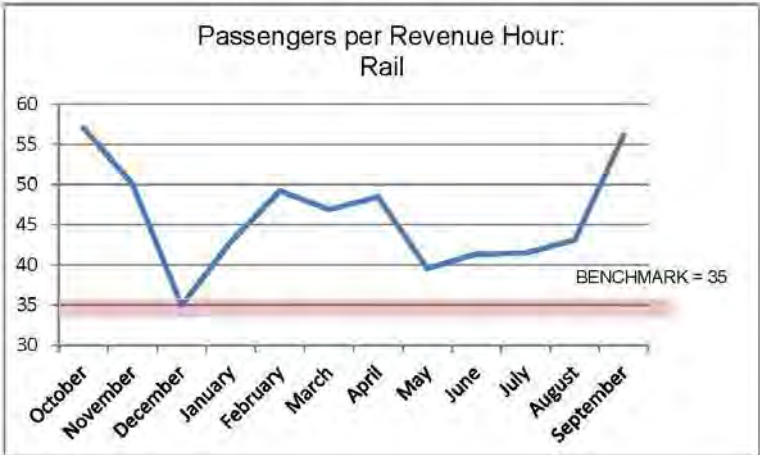


Weekday boardings on average increased by over 12 percent or almost 270 boardings



Average Saturday Boardings increased in September. One Saturday in August 2012, there was free fare and hotdogs which drove up the Saturday average.

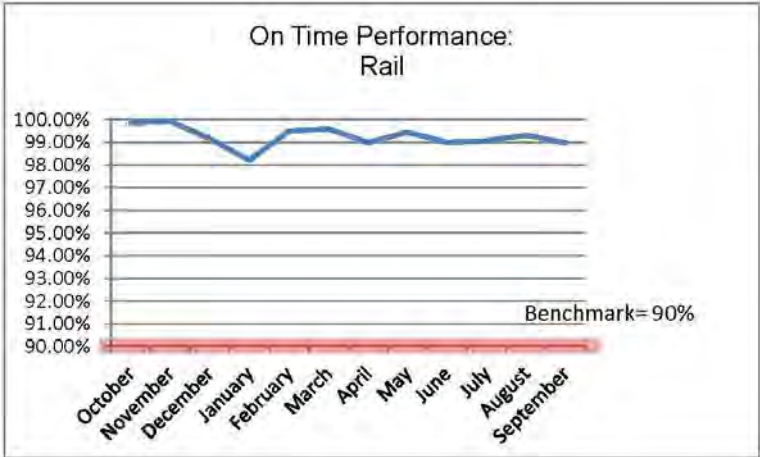
On average, Saturday boardings increased slightly (by 18 % or 69 boardings) relative to September 2012.



The Benchmark for rail is 35 passengers per revenue hour. Except for December, rail exceeded this benchmark for all months in FY 2013.



Rail exceeded the passengers per revenue mile for all months in FY 2013 except for April.



Rail continues to exceed the on-time performance benchmark.

Denton County Community Profile

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

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

**DENTON COUNTY TRANSPORTATION AUTHORITY
RESOLUTION NO. 13-02**

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 2013 - 2014, BEGINNING OCTOBER 1, 2013 AND ENDING SEPTEMBER 30, 2014; 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 2013 - 2014; 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 2013 – 2014 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 2013 - 2014, the Budget Contingency Plan FY 2013 - 2014, 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 2012-2013 are hereby ratified, and the budget for fiscal year 2012-2013, heretofore adopted by resolution of the DCTA Board of Directors, be and the same is hereby, amended to the extent of such transfers and amendments for all purposes.

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

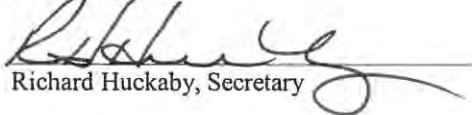
SECTION 4. That this Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE DENTON COUNTY TRANSPORTATION AUTHORITY THE 26TH DAY OF SEPTEMBER, 2013.

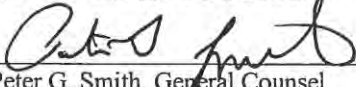
APPROVED:


Charles Emery, Chairman

ATTEST:


Richard Huckaby, Secretary

APPROVED AS TO FORM:


Peter G. Smith, General Counsel
(PGS:09-11-13:TM 62265)

Resolution Adopting FY 2014 Operating & Capital Budget

2di - Exhibit A

Denton County Transportation Authority Proposed Fiscal Year 2014 Budget

Description	FY12 Actuals	FY13 Original Budget	FY13 Revised Budget	Actuals as of June 30, 2013	FY14 Proposed Budget	\$ Increase / (Decrease)	% Increase / (Decrease)
Revenue & Other Income							
Passenger Revenues (Bus Farebox)	451,186	421,157	421,157	388,301	580,460	139,303	33%
Passenger Revenues (Rail Farebox)	564,628	609,783	609,783	536,234	815,203	205,420	34%
Contract Service Revenue	2,927,341	3,001,040	3,001,040	2,300,937	3,298,781	297,741	10%
Total Revenue & Other Income	3,943,154	4,031,980	4,031,980	3,225,472	4,674,444	642,464	16%
Operating Expenses							
GENERAL & ADMINISTRATIVE							
Salary, Wages and Benefits	1,757,403	1,735,489	1,725,669	1,175,850	1,959,712	234,023	14%
Services	982,524	936,632	1,645,422	785,784	1,318,407	(327,016)	-20%
Materials and Supplies	116,664	74,960	79,285	39,644	107,315	28,030	35%
Utilities	15,268	14,400	14,400	9,436	18,000	3,600	25%
Insurance, Casualties and Losses	6,705	9,588	9,035	6,180	11,420	2,385	26%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	124,610	152,490	144,626	99,537	211,047	66,421	46%
Leases and Rentals	168,465	152,229	152,229	128,754	155,025	2,796	2%
Depreciation	(2,352,523)	-	-	(614)	680	680	680%
Subtotal - G&A	819,135	3,075,788	3,770,686	2,244,570	3,781,805	10,919	0%
BUS SERVICES							
Salary, Wages and Benefits	4,535,797	5,292,312	5,292,312	3,681,247	6,042,884	750,572	14%
Services	321,194	310,820	332,160	275,519	408,125	75,965	23%
Materials and Supplies	1,703,703	1,819,380	2,019,380	1,249,122	2,165,419	146,039	7%
Utilities	80,384	87,940	87,940	43,456	101,900	13,960	16%
Insurance, Casualties and Losses	314,824	301,144	289,588	225,074	272,265	(17,324)	-6%
Purchased Transportation Services	-	-	-	-	-	-	0%
Miscellaneous	1,577	3,000	4,350	3,693	10,050	5,700	131%
Leases and Rentals	120,860	119,101	119,101	84,072	29,590	(89,511)	-75%
Depreciation	938,263	939,143	939,143	651,507	896,341	(42,802)	-5%
Subtotal - Bus Services	8,016,622	8,872,840	9,083,975	6,213,688	9,926,574	842,599	9%
RAIL SERVICES							
Salary, Wages and Benefits	39	183,424	193,224	155,275	276,534	83,310	43%
Services	127,974	141,000	141,000	81,201	139,252	(1,748)	-1%
Materials and Supplies	1,190,195	1,600,000	1,600,000	703,219	1,556,490	(43,510)	-3%
Utilities	300,596	270,400	308,058	219,935	327,915	19,857	6%
Insurance, Casualties and Losses	41,429	234,000	327,167	199,960	514,477	187,310	57%
Purchased Transportation Services	7,605,437	8,430,186	8,430,186	5,562,065	9,331,365	901,179	11%
Miscellaneous	-	-	-	2,811	11,988	11,988	0%
Leases and Rentals	653,815	150,000	268,100	92,880	100,000	(166,100)	-62%
Depreciation	8,316,019	8,381,300	8,381,300	4,711,107	8,100,273	(281,027)	-3%
Subtotal - Rail Services	18,235,505	19,390,310	19,647,035	11,728,452	20,358,294	711,259	4%
Total Operating Expenses	27,071,262	31,338,938	32,501,696	20,186,711	34,066,474	1,564,778	5%
Income Before Non-operating Revenue & Exp	(23,128,108)	(27,306,958)	(28,469,716)	(16,961,239)	(29,392,030)		
Non-Operating Revenues / (Expense)							
Investment Income	53,927	36,000	36,000	26,512	33,000	(3,000)	-8%
Non-Operating Revenues / (Expense)	90,301	-	-	35,818	7,125	7,125	7125%
Sales Tax Revenue	19,009,136	18,775,391	18,775,391	13,260,831	20,725,320	1,949,929	10%
Federal Grants & Reimbursements	3,095,510	9,556,174	10,177,611	4,263,646	6,486,142	(3,691,469)	-36%
State Grants & Reimbursements	7,214,635	691,926	803,926	125,539	593,216	(210,710)	-26%
Debt Issuance	-	13,400,000	13,400,000	-	5,500,000	(7,900,000)	-59%
Long Term Debt Interest/Expense	(1,499,100)	(2,168,920)	(2,331,608)	(1,116,815)	(2,423,840)	(92,232)	4%
Total Non-Operating Revenue / (Expense)	27,964,409	40,290,571	40,861,320	16,595,530	30,920,963	(9,940,357)	-24%
Net Available before Transfers	4,836,301	12,983,613	12,391,604	(365,708)	1,528,933		

FY14 Revenue Projections

2di - Exhibit A-1

Bus Operations				
Revenue Source	Actual FY 2012 Oct 11 - Sept 12	Budget FY 2013 Oct 12 - Sept 13	Actuals as of June 30, 2013	Proposed FY14 Oct 13 - Sept 14
Passenger Revenues				
Connect	372,368	338,681	323,543	477,985
Access	81,497	82,476	64,748	82,475
Commuter Express	(2,701)	-	-	-
NCTC	21	-	10	-
Total Passenger Revenues	451,186	421,157	388,301	560,460
Contract Services				
Connect	19,167	57,000	-	52,420
UNT	2,801,769	2,809,084	2,231,713	3,101,788
Access	-	-	-	-
NCTC	106,405	134,956	69,224	144,573
Total Contract Services	2,927,341	3,001,040	2,300,937	3,298,781
Total	\$ 3,378,526	\$ 3,422,197	\$ 2,689,239	\$ 3,859,241
Rail Operations				
Revenue Source	Actual FY 2012 Oct 11 - Sept 12	Budget FY 2013 Oct 12 - Sept 13	Actuals as of June 30, 2013	Proposed FY14 Oct 13 - Sept 14
Rail Farebox	\$ 564,628	\$ 609,783	\$ 536,234	\$ 815,203
Total	\$ 564,628	\$ 609,783	\$ 536,234	\$ 815,203
G&A				
Revenue Source	Actual FY 2012 Oct 11 - Sept 12	Budget FY 2013 Oct 12 - Sept 13	Actuals as of June 30, 2013	Proposed FY14 Oct 13 - Sept 14
Interest Income	\$ 53,927	\$ 36,000	\$ 26,512	\$ 33,000
Misc Income	\$ 90,301	\$ -	\$ 35,818	\$ 7,125
Sales Tax	\$ 19,009,136	\$ 18,775,391	\$ 13,260,831	\$ 20,725,320
Federal Operating Grants	\$ 2,560,578	\$ 2,665,503	\$ 2,303,248	\$ 3,680,022
Federal Capital Grants	\$ 534,932	\$ 7,512,108	\$ 1,960,398	\$ 2,806,120
State Operating Grants	\$ 87,547	\$ 114,732	\$ 34,032	\$ -
State Capital Grants	\$ 7,127,089	\$ 689,194	\$ 91,507	\$ 593,216
Debt Issuance	\$ -	\$ 13,400,000	\$ -	\$ 5,500,000
Total	\$ 29,463,509	\$ 43,192,928	\$ 17,712,345	\$ 33,344,803
TOTAL REVENUES	\$ 33,406,663	\$ 47,224,908	\$ 20,937,818	\$ 38,019,247
Ridership				
Bus	2,564,852	2,292,665	1,928,762	2,633,123
Rail	387,478	398,550	342,529	586,477

9/13/2013

Resolution Adopting FY 2014 Operating & Capital Budget

2d - Exhibit B

Capital Improvement Plan

Project Name	Project Number	Adopted Project Budget	Project LTD thru FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Anticipated Project Total (Thru 2018)	Total Proposed Project Budget
Bus Services											
Passenger Amenities-Phase 2	50202	229,326	138,223	91,103	-	-	-	-	-	229,326	229,326
Bus Operations & Maintenance Facility	50301	11,720,717	2,073,478	8,269,062	1,378,177	-	-	-	-	11,720,717	11,720,717
Bus Maintenance Equipment	50302	500,000	78,777	421,223	-	-	-	-	-	500,000	500,000
Fleet Replacement	50502	3,411,592	2,871,592	540,000	877,998	776,901	258,300	457,500	-	5,782,291	4,289,590
DOTC	50303	373,282	-	373,282	-	-	-	-	-	373,282	373,282
Where's My Ride	50406	940,485	-	940,485	-	-	-	-	-	940,485	940,485
Bus Operations Safety & Security Equipment	50407	88,555	-	88,555	-	-	-	-	-	88,555	88,555
Bus Radios	NEW	-	-	-	137,457	-	-	-	-	137,457	137,457
Rail Services											
Passenger Information	60701	56,214	4,807	51,407	-	-	-	-	-	56,214	56,214
Rail Grinding	61102	204,000	-	204,000	192,000	-	192,000	-	192,000	780,000	396,000
MedPark Extension	61206	1,000,000	-	1,000,000	-	-	-	-	-	1,000,000	1,000,000
Fare Collection Systems	61401	733,104	833,129	14,405	-	-	-	-	-	647,534	733,104
Traffic Signals	61403	3,046,178	2,654,554	141,623	-	-	-	-	-	2,796,177	2,796,177
Positive Train Control	61406	16,997,441	788,073	750,000	6,000,000	9,470,000	5,884,878	-	-	22,902,951	22,902,951
Rail Cars	61501	79,795,524	77,755,654	2,039,870	-	-	-	-	-	79,795,524	79,795,524
Stadler Cars Implementation	61502	895,803	478,319	417,484	-	-	-	-	-	895,803	895,803
Community Enhancements	61707	752,708	13,091	739,617	-	-	-	-	-	752,708	752,708
Lewisville Bike Trail	61708	3,489,396	60,685	86,250	741,520	2,600,941	-	-	-	3,489,396	3,489,396
ROW Fencing	61709	25,000	-	25,000	-	-	-	-	-	25,000	25,000
Rail Station Improvements	61208	15,000	-	15,000	-	-	-	-	-	15,000	15,000
HV Parking Expansion	61710	250,000	-	250,000	-	-	-	-	-	250,000	250,000
Rail Maintenance of Way	NEW	-	-	-	150,000	-	-	-	-	150,000	150,000
Rail Maintenance of Equipment	NEW	-	-	-	585,000	1,623,000	260,000	345,000	5,040,000	7,853,000	585,000
Rail Single Car Operations	NEW	-	-	-	101,800	-	-	-	-	101,800	101,800
TOTAL		\$ 124,524,325	\$ 87,550,382	\$ 16,458,366	\$ 10,163,952	\$ 14,470,842	\$ 6,605,178	\$ 802,500	\$ 5,232,000	\$ 141,283,220	\$ 132,224,089
Sources of Funding											
Federal / State Grants				\$ 3,399,336	\$ 3,131,413	\$ 208,640	\$ 366,000	\$ -	\$ -		
New Debt Issuance (PTC 2014)				\$ 5,500,000	\$ -	\$ -	\$ -	\$ -	\$ -		
RTC Funds				\$ -	\$ 9,470,000	\$ 3,030,000	\$ -	\$ -	\$ -		
DCTA Funding				\$ 1,264,616	\$ 1,869,429	\$ 3,368,538	\$ 436,500	\$ 436,500	\$ 5,232,000		
TOTAL				\$ 10,163,952	\$ 14,470,842	\$ 6,605,178	\$ 802,500	\$ 802,500	\$ 5,232,000		

**DCTA Budget Contingency Plan
FY2014**

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 (\$414,506)

- 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 (\$621,760)

- 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 (\$829,013)

- 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.

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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 FY 2014 Operating and Capital Budget

CFM - Proposed FY14 Budget Recommendation

2diii - Exhibit D

OPERATING REVENUES	2013	2014	2015	2016	2017	2018
Beginning Fund Balance:	\$ 18,326,983	\$ 11,526,943	\$ 11,889,217	\$ 12,849,755	\$ 11,657,490	\$ 13,753,906
Bus Operating Revenue	\$ 3,422,197	\$ 3,859,241	\$ 4,019,855	\$ 4,128,008	\$ 4,239,282	\$ 4,353,768
Rail Operating Revenue	609,783	815,203	904,875	913,924	923,063	932,294
NON-OPERATING REVENUES						
Sales Tax Revenue	20,121,670	20,725,320	21,347,080	22,200,963	23,089,001	24,012,561
Formula Grants (Operating)	2,780,235	3,680,022	5,230,167	4,627,575	4,601,870	6,058,756
Interest Income-Non RTRFI Funds	36,000	33,000	35,668	38,549	34,972	41,262
Misc. Revenue	-	7,125	152,680	152,680	152,680	152,680
Restricted RTRFI Interest Income	-	-	-	-	-	-
Total Revenues	26,969,885	29,119,911	31,690,325	32,061,700	33,040,870	35,551,321
OPERATING EXPENSES						
Bus Operating Expense	8,144,832	9,030,233	9,468,216	9,832,250	10,198,207	10,582,745
Rail Operating Expense	11,265,735	12,258,021	12,612,467	12,990,144	13,366,268	13,757,152
G&A Operating Expense	3,770,686	3,780,925	3,668,925	3,940,160	3,813,618	3,941,714
NON-OPERATING EXPENSES						
Non-Operating (Income) / Expense	-	-	-	-	-	-
Total Expenses	23,181,253	25,069,179	25,749,608	26,762,554	27,378,091	28,281,611
NET INCOME	3,788,632	4,050,731	5,940,717	5,299,146	5,662,779	7,269,710
CAPITAL OUTLAY						
Bus Capital Expenditure	9,243,225	1,515,634	30,000	18,000	18,000	18,000
Bus Replacement Expense	540,000	877,998	776,901	258,300	457,500	-
Rail Capital / Construction	158,028	-	-	-	-	-
Professional Services	991,892	-	-	-	-	-
Stadler Fleet (Vehicles)	2,457,354	-	-	-	-	-
Real Estate	1,000,000	-	-	-	-	-
Right of Way	25,000	-	-	-	-	-
Rail Capital Expenditure (LV Hike & Bike)	86,250	741,520	2,600,941	-	-	-
Rail Capital Expenditure (Community Enhancements)	739,617	-	-	-	-	-
Rail Capital Expenditure (Rail Grinding)	204,000	192,000	-	192,000	-	192,000
HV Parking Expansion	250,000	-	-	-	-	-
Rail Station Improvements	15,000	-	-	-	-	-
Rail Maintenance-of-Way	-	150,000	-	-	-	-
Rail Maintenance-of-Equipment	-	585,000	1,623,000	260,000	345,000	5,040,000
Rail Stadler Single Car Operations	-	101,800	-	-	-	-
Positive Train Control	750,000	8,000,000	9,470,000	5,894,878	-	-
Total Capital Outlay	16,458,366	10,163,952	14,500,842	6,623,178	820,500	5,250,000
CAPITAL SOURCES						
New Money (Debt Issuance)	-	5,500,000	-	-	-	-
RTRFI/RTC Funds	-	-	9,470,000	3,030,000	-	-
Formula Grants (Capital)	8,201,302	3,399,336	3,155,413	221,040	380,400	14,400
Total Capital Sources	8,201,302	8,899,336	12,625,413	3,251,040	380,400	14,400
DEBT SERVICE						
2008 Issue (ST) Debt Service	-	-	-	-	-	-
2009 Refunding (ST) Debt Service	1,876,857	1,718,200	1,716,492	1,718,387	1,713,687	1,717,590
2011 Contractual Obligations (Vehicles)	341,287	336,945	751,945	763,955	770,183	775,785
2011 Contractual Obligations (PTC)	113,463	113,463	253,463	254,081	259,542	264,691
2014 Contractual Obligations (PTC)	-	255,233	382,850	382,850	382,850	602,850
Total Debt Service	2,331,607	2,423,841	3,104,750	3,119,273	3,126,262	3,360,916
Gross Sales Tax Coverage:	8.63	8.55	6.88	7.12	7.39	7.14
Internal Debt Service Coverage:	1.62	1.67	1.91	1.70	1.81	2.16
Year End Audit Adjustment						
Ending Fund Balance:	11,526,943	11,889,217	12,849,755	11,657,490	13,753,906	12,427,101
Less Restricted RTRFI Interest Income	-	-	-	-	-	-
Less Required Fund Balance (O&M Reserve Policy):	5,795,313	6,267,295	6,437,402	6,690,639	6,844,523	7,070,403
Less Sales Tax Stabilization Fund	550,000	621,760	640,412	666,029	692,670	720,377
Less Fuel Stabilization Fund	100,000	50,000	50,000	50,000	50,000	50,000
Less Capital/Infrastructure	1,296,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net Available Cash	3,785,630	2,950,163	3,721,941	2,250,822	4,166,713	2,586,321

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Insurance, 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.

Budget art by Amber Road Design.

Amber Road Design is a collaboration of Katie Althoff & David Shaw. To see more of their work, visit amberroaddesign.com or contact them by email at amber.road.design@gmail.com

