

**APPROVED**

# FY2018 Operating & Capital Budget

## & 5 Year Capital Improvement Plan





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Capital Metropolitan Transportation Authority  
Texas**

For the Fiscal Year Beginning

**October 1, 2016**

Executive Director



## Table of Contents

Organization of the Budget Document.....	1
Transmittal Letter .....	2
<u>Introduction</u>	
Service Area and Region.....	5
Capital Metro Service Area Map.....	5
Community Information and Capital Metro Involvement .....	6
Benefits of Public Transportation.....	7
Governance .....	8
Management.....	9
System Facility Characteristics.....	10
MetroRail Red Line Service Map.....	13
Business Planning and Budget Process .....	14
Annual Calendar.....	15
Basis of Budget and Basis of Accounting.....	16
Organizational Chart.....	17
Full-Time Equivalent Chart.....	18
<u>Strategic Plan</u>	
Strategic Plan .....	20
<u>Financial Policies</u>	
Summary of Financial Policies.....	21
Reserves and Contingencies Policy.....	21
Debt Policy.....	22
Summary of Fare Policy .....	24
Fares.....	25
Expense Policies .....	26
Expenditure Accountability .....	26
Procurement Policy and Procurement Methods.....	26
Summary of Revised Financial Policies .....	28
<u>Financial and Budget Summary</u>	
Fund Balance and Reserves/Contingencies Requirements.....	29
Revenue by Category.....	31
Factors Affecting Revenue .....	31
Operating Expenses by Category.....	35
Factors Affecting Operating Expenses .....	35
Budget Summary.....	37
Debt Amortization .....	38
Summary of Department Expenses.....	39
Service Overview.....	40
Ridership.....	42
Vehicle Hours of Service .....	43
Vehicle Miles of Service .....	44
Performance Trends.....	45
Capital Budget .....	47
Long Range Financial Plan .....	51



Grants

Urbanized Area Formula Grant (Section 5307).....	56
Capital Investment Program (Section 5309) .....	56
Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) .....	56
Job Access and Reverse Commute (Section 5316) .....	57
New Freedom (Section 5317).....	57
Bus and Bus Facilities Formula Grant (Section 5339) .....	57
Transportation Investments Generating Economic Recovery Discretionary Grant.....	58
Other Grants .....	58

Operating Detail by Department

Board of Directors Support .....	59
Bus and Paratransit Services .....	62
Bus Contract Operations .....	66
Business Center .....	69
Capital Projects .....	71
Central Corridor Development.....	76
Child Care and Learning Center... ..	78
Communications .....	80
Community Involvement .....	85
Customer Service .....	89
Executive Staff .....	92
Finance .....	95
Government Relations and Compliance.....	98
Human Resources .....	103
Information Technology .....	107
Internal Audit .....	112
Legal .....	115
Marketing .....	118
Non-Allocated Employee Benefits .....	122
Paratransit Administration .....	124
Paratransit Contract Operations .....	127
Paratransit Eligibility .....	130
Paratransit Reservations and Control Center.....	133
Procurement .....	136
Property and Asset Management.....	140
Public Facilities .....	143
Rail Commuter Operations .....	146
Rail Compliance .....	150
Rail Freight Rail Management .....	152
Real Estate and Facility Planning.....	155
RideShare .....	158
Risk Management and Safety .....	161
Security .....	165
Strategic Operations Management and Administration.....	169
Strategic Planning and Development .....	173
Wellness and Fitness Center.....	178



Glossary.....	180
Index .....	187
Appendix A – Capital Improvement Plan .....	A-1
Appendix B – Demographic and Economic Statistics .....	B-1

Comments regarding any of the information contained in this document may be addressed to:

Executive Vice President, Chief Financial Officer  
Capital Metropolitan Transportation Authority  
2910 East Fifth Street  
Austin, TX 78702



## Organization of the Budget Document

This document is the approved annual budget for Capital Metropolitan Transportation Authority (Capital Metro, Authority or CMTA) for the period October 1, 2017-September 30, 2018. A budget is a formal plan of action, expressed in monetary terms, for a specified period of time. This document details Capital Metro’s plan for fiscal year (FY) 2018.

### Major Sections of the Budget Document

Capital Metro’s budget document is divided into 5 sections: Introduction, Financial Policies, Financial and Budget Summary, Department Operating Budgets and Appendices. Each section contains information related to the budget process for the approved budget. An index is included for ease of reference.

Introduction.....5

This section provides an overview of Capital Metro’s mission, history, infrastructure, service area, descriptions of each type of service and long range strategic goals. A listing of positions by department and a company organizational chart is also included. The business planning and budgeting processes as well as various assumptions used in developing the budget are discussed in this section.

Financial Policies.....21

Grouped in this section are various policies that guide the decisions of Capital Metro.

Financial and Budget Summary.....29

This section of the budget document includes a summary of the annual budget, financial highlights and detailed information including service levels for each type of service Capital Metro provides. This section also includes financial statements and explains factors affecting revenues, expenses and the capital budget.

Department Operating Budgets.....59

The operating budget is presented by individual departmental overviews. Each departmental section contains an explanation of that department’s functions and responsibilities, organizational chart and a table of anticipated expenses.

Glossary.....180

Index.....187

Appendix A Capital Improvement Plan .....A-1

Appendix B Demographic and Economic Statistics.....B-1



To the Citizens of the Capital Metro Service Area:

On behalf of the board of directors, I am pleased to submit Capital Metro's budget for Fiscal Year 2018 (October 1, 2017 - September 30, 2018). The agency's strategic goals were used as the basis for the development of the budget.

The FY2018 budget effectively balances fiscal responsibility with crucial investments in enhanced service and infrastructure. It lays the groundwork for a vastly improved system of public transportation by funding capital projects that will benefit the region. It includes judicious operating expenses and forms financial partnerships through interlocal agreements.

As the regional public transit provider, Capital Metro offers true transportation choices for Central Texas. Our focus is on providing a comprehensive, connected system to meet the region's growing transportation needs, and ensuring a better quality of life for residents with affordable, convenient and sustainable transit options. Last year, Capital Metro provided more than 30 million rides, giving residents, commuters and visitors options to connect with jobs, neighborhoods and activity centers. Providing riders with safe and reliable service is our priority.

Over the last year, the agency took important steps to expand and enhance services. We finalized Connections 2025, a yearlong comprehensive review and reimagining of our transit network that resulted in an updated ten-year plan to optimize current bus services and add new services in the future. The plan will better serve the community by dramatically increasing access to an expanded network of frequent service routes; creating mobility innovation zones in less dense areas; and upgrading existing and adding new MetroRapid services. Implementation of the first phase already began in FY2017 and the FY2018 budget continues these improvements

Capital Metro continued the long-term planning efforts of Project Connect, a three-year planning project to develop a long term high-capacity transit plan for the region's most congested corridors. With three major phases, the project is examining practical mobility solutions for the community. The expected result is a prioritized program of projects and recommended funding plan to address a doubling of current population and the need for increased people-carrying capacity and improved mobility options.

Other highlights from FY2017 include:

- Began implementing recommendations from Connections 2025 and increased frequency so that MetroRapid service runs every 10 minutes during the weekday with 15-minute frequency on weekends; added late-night weekend service.
- Launched Pickup, an innovative on-demand ride hailing demo service where riders can request a ride directly from their phone to anywhere within its service zone. The Pickup app was developed in partnership with Via, who operates ridesharing platforms in New York City, Chicago and Washington D.C.
- Increased MetroRideShare participation by 25% from FY2016 to FY2017 with more than 240 vehicles in service.
- Approved Transit Development Plans in non-member cities Georgetown, Round Rock, Hutto and Buda, and began the process with Pflugerville — the culmination of more than five years of planning. Georgetown and Round Rock will launch transit service in August.

- Purchased over 100 buses for expansion and replacement including: replaced 70 of the oldest fixed route vehicles in the fleet and added 2 for increased route frequency; added 15 MetroRapid and 6 MetroExpress buses to increase frequency; added 19 vehicles on MetroAccess.
- In partnership with a local developer began construction of a premier transit-oriented development (TOD) project at the Plaza Saltillo rail station. It will include commercial and residential space, affordable housing, community amenities, and significant revenue and ridership opportunities for Capital Metro.
- Added 450 spaces to the Lakeline Rail Station Park & Ride and 85 parking spaces at the Howard Station Park & Ride to address overcrowding for riders using MetroRail, MetroExpress and Local bus service.
- Completed accessibility improvements at more than 150 bus stops, resulting in nearly 100% of our bus stops ADA compliant.
- Launched MetroAccess Online, enabling customers to book, confirm and cancel paratransit trips in real-time.
- Designed a TOD Priority Tool that demonstrates the relationship between land use and transit, available in a highly interactive manner online.
- Received the “Fit-Friendly” award by the American Heart Association and were featured in *Austin Fit* magazine as one of the “5 Best Places to Work in Austin for Athletes.”
- Launched new CapMetro App traveler tools.
- Provided Wi-Fi access for nearly 4 million sessions, a 6% increase over the previous year.
- Launched the Manor Flex pilot route, which allows riders to travel along fixed corridors but also request route deviations by appointment.
- Sold almost 23% of all transit passes through the mobile app, adding up to more than \$3 million; only one transit system in the country sells a higher percentage through mobile devices.
- Redeveloped our website with a design that ensures the same experience on any sized screen, with built-in accessibility features and improved traveler tools.

### **Fiscal Year 2018 Planned Projects**

The FY2018 budget will support the continued progress of our current services, while building the infrastructure needed to support the region’s growth and plan for future transportation services. Capital Metro will focus our efforts on operational priorities and significant projects and initiatives, including:

- Beginning construction on the new 190-space Westgate Park & Ride facility to serve South Austin riders with MetroRapid and Local bus routes.
- Continuing implementation of service initiatives from the Connections 2025 plan to create a more frequent, reliable and connected transit system.
- Continuing construction on the 11-acre, transit-supportive Plaza Saltillo station to include site and underground utility work and foundation and pier concrete pours for the residential component.
- Adding improvements to our rail infrastructure to double the capacity and frequency of MetroRail service.
- Increasing frequency on both MetroRapid routes and adding service past midnight on weekends.
- Finalizing design plans for construction of a new, larger downtown rail station.
- Bringing MetroExpress service to MoPac’s managed lanes.
- Continuing coordination with the city of Austin on bus priority treatments in city right of way.
- Continuing replacement of vehicles, equipment and other assets as part of our on-going and federally required state of good repair program.





These enhanced services and initiatives, however, can only succeed if Capital Metro manages its limited resources prudently. Our accomplishments, as well as our commitment to transparency and accountability, demonstrate that Capital Metro continues to be a financially sound transit agency, committed to a thorough and thoughtful budgeting process.

Capital Metro's FY2018 budget also includes a five-year capital improvement plan and reflects fund balance projections of \$76.1 million by the end of FY2018. Of this amount, Capital Metro will set aside \$41.7 million in reserves for two months of operating expenses, which meets the level set forth by the Texas Legislature, \$1.1 million for a self-insurance reserve, \$9.7 million remaining grant funds from Texas Department of Transportation for downtown station construction and rail car acquisition, \$12.6 million for city of Austin mobility programs and \$11 million for the budget stabilization reserve.

Capital Metro remains committed to being a sound financial steward of the public's money. We have spent the past year preparing innovative initiatives that will result in a more reliable and better connected transit system. We're excited for the coming year, during which we will put many of these projects into action. We look forward to receiving your feedback on our progress.

Sincerely,

Linda Watson  
President/CEO

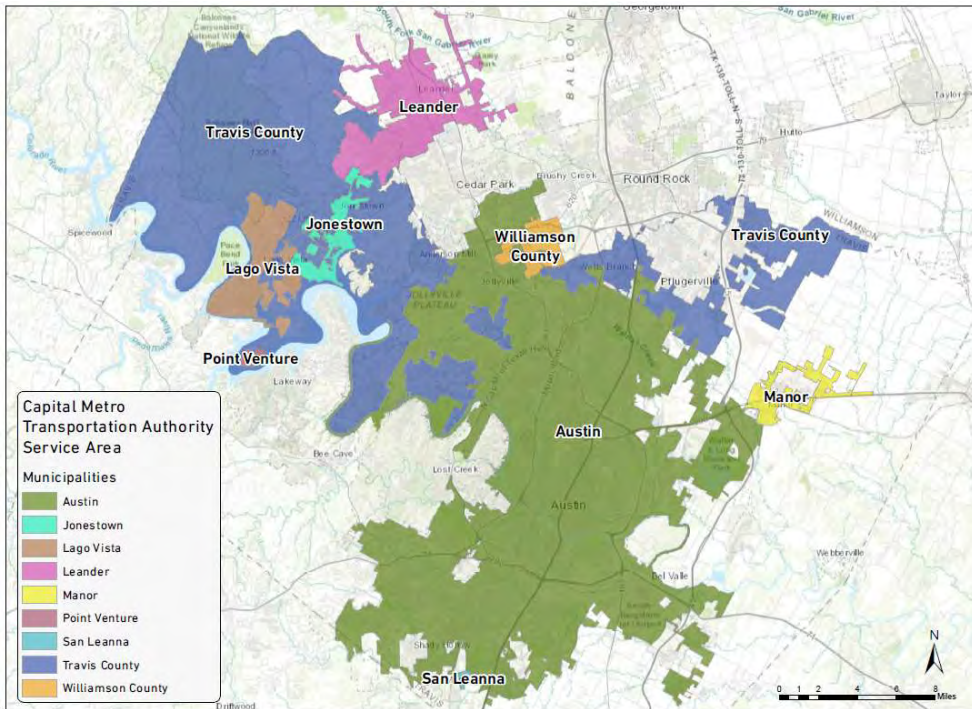
**Service Area and Region**

Capital Metropolitan Transportation Authority is the regional public transportation leader for Central Texas. Capital Metro was created in 1985 in accordance with Chapter 451 of the Texas Transportation Code. Capital Metro was established by a voter referendum on January 19, 1985, to provide mass transportation service to the greater Austin metropolitan area. Operations commenced on July 1, 1985. Capital Metro is funded in part by a 1 percent sales tax levied by its service area members. Capital Metro voluntarily reduced the sales tax to three-quarters of 1 percent sales tax in the early 1990s. This amount remained in effect until October 1, 1995, when it was increased to a 1 percent sales tax.

The Central Texas region is one of the fastest growing areas in the country, and mobility and traffic congestion remain top concerns. According to the Capital Area Metropolitan Planning Organization (CAMPO) 2040 Regional Transportation Plan, total population in the six-county Central Texas region is projected to increase from 2010 to 2040, growing from 1.7 million to more than 4.1 million. The number of area jobs is also projected to increase from 774,786 to 2,324,769 by 2040.

**Service Area Member Cities and Communities**

The Capital Metro service area extends across approximately 535 square miles and includes more than 1 million residents. The following map illustrates the Capital Metro service area. The areas that participate in the Authority, include the cities of Austin, San Leanna, Leander, Lago Vista, Point Venture and the Anderson Mill area of Williamson County. Precinct Two of Travis County and the suburban cities of Jonestown and Manor are included in the service area.



This product has been created with the highest degree of accuracy possible. However, CMTA nor any of its contractors or suppliers can be held responsible for any damages due to errors or omissions in this product. Depiction of boundaries is not authoritative.



### **Community Information and Capital Metro Involvement**

Capital Metro is invested in the Central Texas community, and has adopted a Community Involvement Policy to guide its efforts to engage the community as part of its decision-making process. Capital Metro works with 2 citizen advisory committees appointed by the board of directors (board) that provide recommendations and feedback on planning, operations and services: the Customer Satisfaction Advisory Committee (CSAC) and the Access Advisory Committee (AAC). In addition, the agency is a partner in dozens of stakeholder organizations throughout the region to ensure that their voices are considered.

Capital Metro partners with various nonprofit, cultural, business and social service organizations to serve the community. In 2016 and 2017, the agency forged new community partnerships with the Sustainable Food Center, the Girl Scouts of Central Texas, the Long Center, the Paramount Theatre and the Austin Film Festival. One of the agency's most significant partnerships is a collaboration with One Voice Central Texas and the Austin Community Foundation to establish the Transit Empowerment Fund (formerly the Basic Transportation Needs Fund), which works to ensure that low-income, transit-dependent neighbors have access to transportation. This program provides transit passes at a discount for social service agencies to distribute as needed to their clients. Since its establishment in 2012, the program has provided more than 1 million rides.

For several years, Capital Metro has supported the Ending Chronic Homeless Organization by providing transit passes as program incentives for the annual homeless census. Capital Metro provides discounts to nonprofit groups seeking transit advertising for public service announcements. Each month, Capital Metro staff works with Caritas to acclimate recently arrived refugees to the transit system.

In 2012, we began a partnership with the Capital Area Food Bank and Whole Foods called Stuff the Bus, which has raised funds over the past 5 years and collected food equivalent to tens of thousands of meals for neighbors in need. In 2016 alone, Stuff the Bus raised enough funds and food to provide more than 180,000 meals to Central Texans.

Capital Metro supports emergency response operations within the service area, by sending buses to be used as temporary shelters during floods, fires and other emergencies. In addition, when temperatures fall below 32 degrees, Capital Metro sends "cold weather buses" as a haven for the homeless, transporting them to local emergency shelters for the night in cooperation with the city of Austin's Office of Emergency Management.

**Benefits of Public Transportation****Saves Money:**

Riding transit is an affordable option. According to the American Public Transportation Association's April 2016 Transit Saving Report, an individual can save, on average, \$9,052 a year by downsizing to 1 car and using public transportation instead. Capital Metro has some of the lowest fares in the nation.

**Protects the Environment and Improves Air Quality:**

Switching to riding public transportation is one of the most effective actions individuals can take to reduce their carbon footprint. Car transportation alone accounts for nearly half of the carbon footprint of a typical American family with 2 cars; it is by far the largest source of household emissions and, as such, the largest target for potential reductions. The average passenger car in the U.S. produces just under 1 pound of carbon dioxide per mile traveled. If just 1 driver per household switched to taking public transportation for a daily commute of 10 miles each way, it would save 4,800 pounds of carbon dioxide per household per year—a significant reduction in the annual carbon footprint of a typical American household.

**Improves Health:**

Riding Capital Metro is a healthy choice. Studies have shown that regular transit riders tend to be healthier because of the exercise they get walking to and from bus stops, train stations and their homes or offices. Compared to car travel, traveling by bus carries 23 times less risk of fatal injury and 5 times less risk of non-fatal injury. Additionally, those who drive less frequently also tend to have lower levels of stress. Reduced stress levels have health benefits such as a decreased risk of cardiovascular disease and improved mental health. Riding transit increases the opportunity for social connections. Stronger social networks within a community have been shown to have positive correlations with physical and mental well-being.

**Manages Traffic Congestion:**

According to Texas A&M's Texas Transportation Institute, (TTI), Austin ranked twelfth in travel-time delay for medium-sized cities with an index of 1.33, meaning peak-hour travel takes an average of 33 percent longer than free-flow travel, particularly on IH-35 and MoPac. Drivers in the region are wasting millions of hours annually stuck in traffic.

Transit agencies play an important role in reducing congestion by providing transportation alternatives and supporting land use patterns that reduce vehicle travel. Based on the most recent TTI report on congestion, public transportation saved travelers 865 million hours in travel time and 450 million gallons of fuel. During rush hour, a full 40-foot bus takes 35 cars off the road; a full train takes more than 100 cars off the road.



**Governance**

An eight-member board of directors has governance responsibilities over all activities related to Capital Metro. The 2009 Texas Legislature changed the composition of the Capital Metro board as shown here:

- ◆ Three members appointed by the Capital Area Metropolitan Planning Organization (CAMPO), of whom
  - One must be an elected official.
  - One must have at least 10 years of experience as a financial or accounting professional.
  - One must have at least 10 years of experience in an executive-level position.
- ◆ Two members appointed by the city of Austin, of whom
  - One must be an elected official.
- ◆ One member appointed by Travis County.
- ◆ One member appointed by Williamson County.
- ◆ One member, who must be an elected official, appointed by all small city mayors (excludes city of Austin).
- ◆ Allows CAMPO to appoint two additional members once the population of the city of Austin is less than 65 percent of the total service area population.
- ◆ Requires two of the three CAMPO representatives to be qualified voters residing in Austin.
- ◆ Requires the two county representatives to work in the service area but within the county that appointed them, or be qualified voters within the county that appointed them.
- ◆ Specified that future terms are three years long and staggered.

<b><u>BOARD MEMBER</u></b>	<b><u>APPOINTING BODY</u></b>	<b><u>TERM EXPIRES</u></b>
Wade Cooper, Chair	Capital Area Metropolitan Planning Organization	June 1, 2020
Beverly S. Silas, Vice Chair	Travis County	June 1, 2018
Juli Word, Secretary	Williamson County	June 1, 2020
Terry Mitchell	Capital Area Metropolitan Planning Organization	June 1, 2018
Delia Garza	City of Austin	June 1, 2019
Rita Jonse	Small Cities	June 1, 2018
Sabino "Pio" Renteria	City of Austin	June 1, 2019
Ann Kitchen	Capital Area Metropolitan Planning Organization	June 1, 2019



**Management**

Capital Metro's executive leadership team provides diverse experience and skills to lead the organization into the future.

Executive Leadership Team	Name
President/Chief Executive Officer	Linda Watson
Deputy Chief Executive Officer, Chief Operating Officer	Elaine Timbes
Senior Vice President, Chief of Staff	Vacant
Executive Vice President, Chief Counsel	Kerri Butcher
Executive Vice President, Strategic Planning and Development	Todd Hemingson, AICP
Executive Vice President, Chief Financial Officer	Reinet Marneweck, CPA
Executive Vice President, Administration, Safety Officer and EEO Officer	Donna Simmons
Vice President, Paratransit and Innovative Mobility Operations	Chad Ballentine
Vice President, Capital Projects	Kenneth Cartwright
Vice President, Real Estate, Property and Asset Management	Shanea Davis
Vice President, Chief Information Officer	Joe Iannello
Vice President, Operations	Dottie Watkins
Vice President, Internal Audit	Vacant
Vice President, Marketing and Communications	Vacant
Vice President, Rail Operations	Vacant



### **System Facility and Fleet Characteristics**

Since Capital Metro's inception in 1985, the focus of the capital improvement program has primarily been on the replacement of buses, garage facilities, amenities and Park & Ride facilities. In 1986, the current Capital Metro headquarters was completed, which includes 140,000 square feet in garage facilities and houses the administrative staff in the main building. In 2010, Capital Metro began service on its Red Line, 32 miles of commuter rail between Leander and downtown Austin.

### **Capital Metro Facilities**

#### Capital Metro Headquarters

2910 E. Fifth St.  
Austin, Texas 78702  
Administration: 42,840 square feet, 1986  
Maintenance: 140,000 square feet, 1986

#### Transit Store, MetroAccess Eligibility, MetroAccess Call Center, MetroAccess Administration

209 W. Ninth St.  
Austin, TX 78701  
18,000 square feet, 2013

#### MetroAccess Services Facility

509 Thompson Lane  
Austin, Texas 78742  
24,000 square feet, 2000

#### Capital Metro Administrative Annex/Child Care Facility

624 Pleasant Valley  
Austin, Texas 78702  
25,500 square feet, 2006

#### North Operations Facility

9315 McNeil Road  
Austin, Texas 78758  
137,377 square feet, 2008



## **Park & Ride Facilities**

### **Austin**

Great Hills Park & Ride  
Howard Station Park & Ride  
Lakeline Station Park & Ride  
North Lamar Transit Center  
Oak Hill Park & Ride  
Pavilion Park & Ride  
Tech Ridge Park & Ride  
Triangle Park & Ride  
South Congress Transit Center

### **Jonestown**

Jonestown Park & Ride

### **Lago Vista**

Lago Vista Park & Ride

### **Leander**

Leander Station Park & Ride

### **Manor**

Manor Park & Ride

### **Elgin**

Elgin Park & Ride, owned by the Capital Area Rural Transportation System (CARTS)





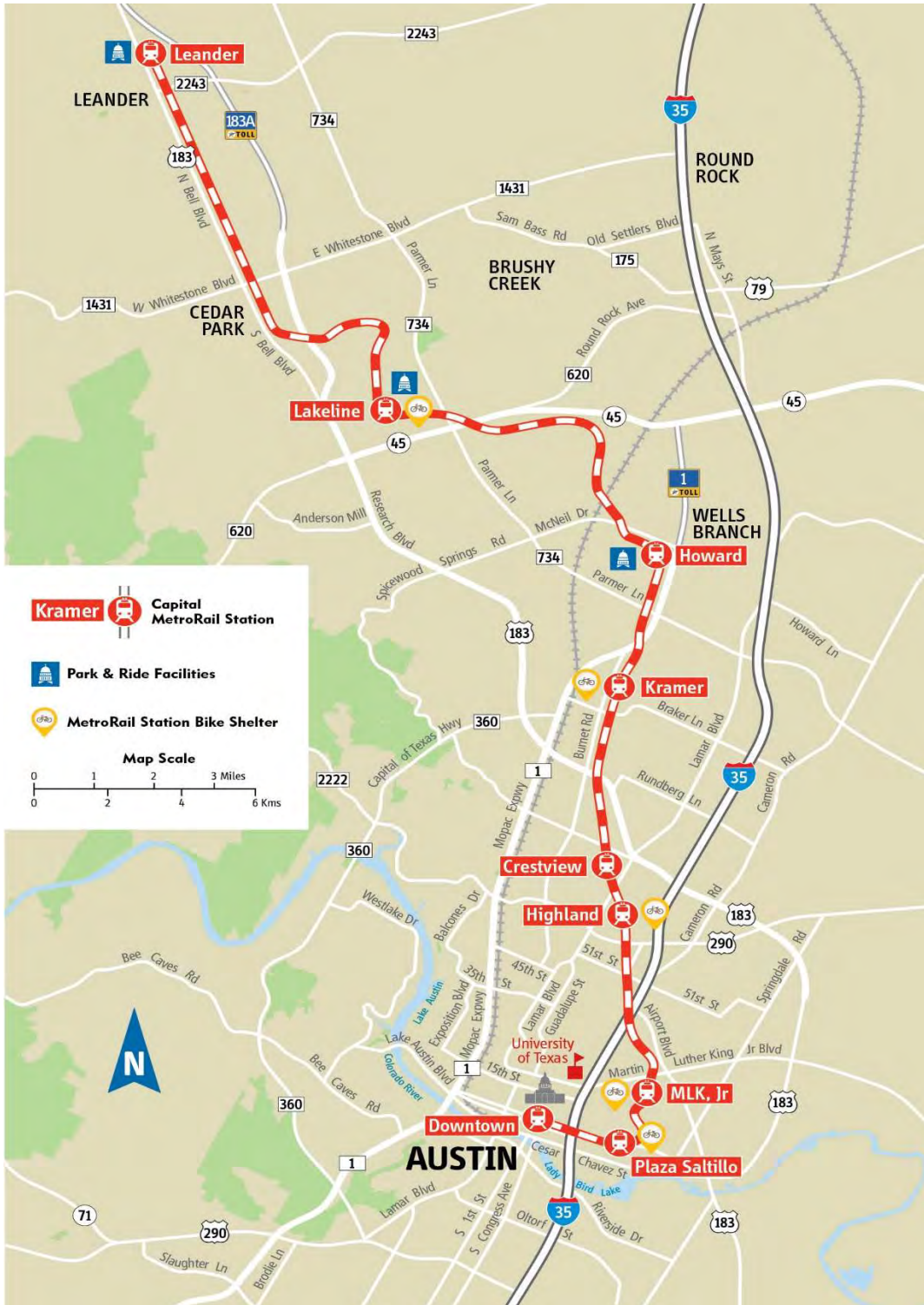
### **Rail Stations**

Leander Station and Park & Ride  
Lakeline Station and Park & Ride  
Howard Station and Park & Ride  
Kramer Station  
Crestview Station  
Highland Station  
MLK Jr. Station  
Plaza Saltillo Station  
Downtown Station

### **Fleet Description**

Buses: 361  
MetroRapid buses: 55  
Fixed route vans: 3  
Paratransit vans: 83  
Paratransit accessible passenger vehicles: 35  
Rail vehicles: 10

### MetroRail Red Line Service Map



## **Business Planning and Budget Process**

### **Overview**

Chapter 451 of the Texas Transportation Code mandates that Capital Metro's board adopt an annual operating and capital budget of all major expenditures by type and amount. The budget must be adopted before the beginning of each fiscal year and before Capital Metro conducts any business in the new fiscal year. Capital Metro's fiscal year begins on October 1.

Capital Metro's governing legislation further provides that the board shall hold a public hearing on the proposed operating budget prior to its adoption and shall, at least 14 days before the date of the hearing, make the proposed budget available to the public. After adoption, the board may subsequently amend the budget after public notice and hearing.

### **Business and Service Planning Linked to Strategic Goals**

The strategic planning process begins when the board and management meet to review and discuss Capital Metro's long-range vision and organizational mission and goals.

The board and the management team worked together to develop the FY2018-2023 Strategic Plan with the aim of focusing on 5 strategic goal areas:

- ◆ Customer Experience
- ◆ Ridership
- ◆ Community
- ◆ Human Capital
- ◆ Finance

Annual service levels are developed based on the strategic goals, objectives and tasks identified in the plan. Each department develops a business plan and a budget that supports the service levels and the objectives in the strategic plan.

The board receives semiannual reports on the status of the strategic plan and the progress of the strategic initiatives and performance measures within the plan.



Annual Calendar	Month
Board provides strategic direction for the coming year	January
Management team develops objectives and strategies to achieve organizational goals	February
Budget development begins	March
Department managers develop business plans that support achievement of objectives	April
Board reviews strategic plan	May
Board reviews proposed budget Staff provides budget update to the Access Advisory Committee Staff provides budget update to Customer Satisfaction Advisory Committee Staff holds meetings with stakeholders	July/August
Proposed budget document is posted online for public review (14-day requirement)	August
Staff holds open house for public input	Early September
Board holds public hearing on proposed budget	Mid-September
Board is scheduled to adopt budget	Late September
Approved budget document is published	October

### **Basis of Budget and Basis of Accounting**

Capital Metro uses the proprietary fund system. Proprietary funds are used to account for operations that: (a) are financed and operated in a similar manner to private business where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

As a proprietary fund, the budget is prepared on a full-accrual basis of accounting. This means that expenses are recognized as they are incurred and revenues are recognized when they are earned. Accounting records and financial statements are developed and maintained in accordance with generally accepted accounting principles (GAAP).

To prepare the budget, Capital Metro uses a zero-based budgeting concept. Each year, expenses must be justified to the President/Chief Executive Officer, the Deputy Chief Executive Officer, the Chief Financial Officer, the executive team and budget staff. Revenue projections are developed based on service levels, ridership estimates and the economic outlook. It is Capital Metro's policy to prepare a structurally balanced budget such that estimated ongoing revenue is sufficient to fund ongoing operating expenses, and to use accumulated fund balance prudently for capital investment or one-time needs.

#### **Budget Assumptions**

##### Service Area

It is assumed that the service area will sustain minimal changes.

##### Sales Tax Rate

The sales tax rate is anticipated to remain at 1 percent.

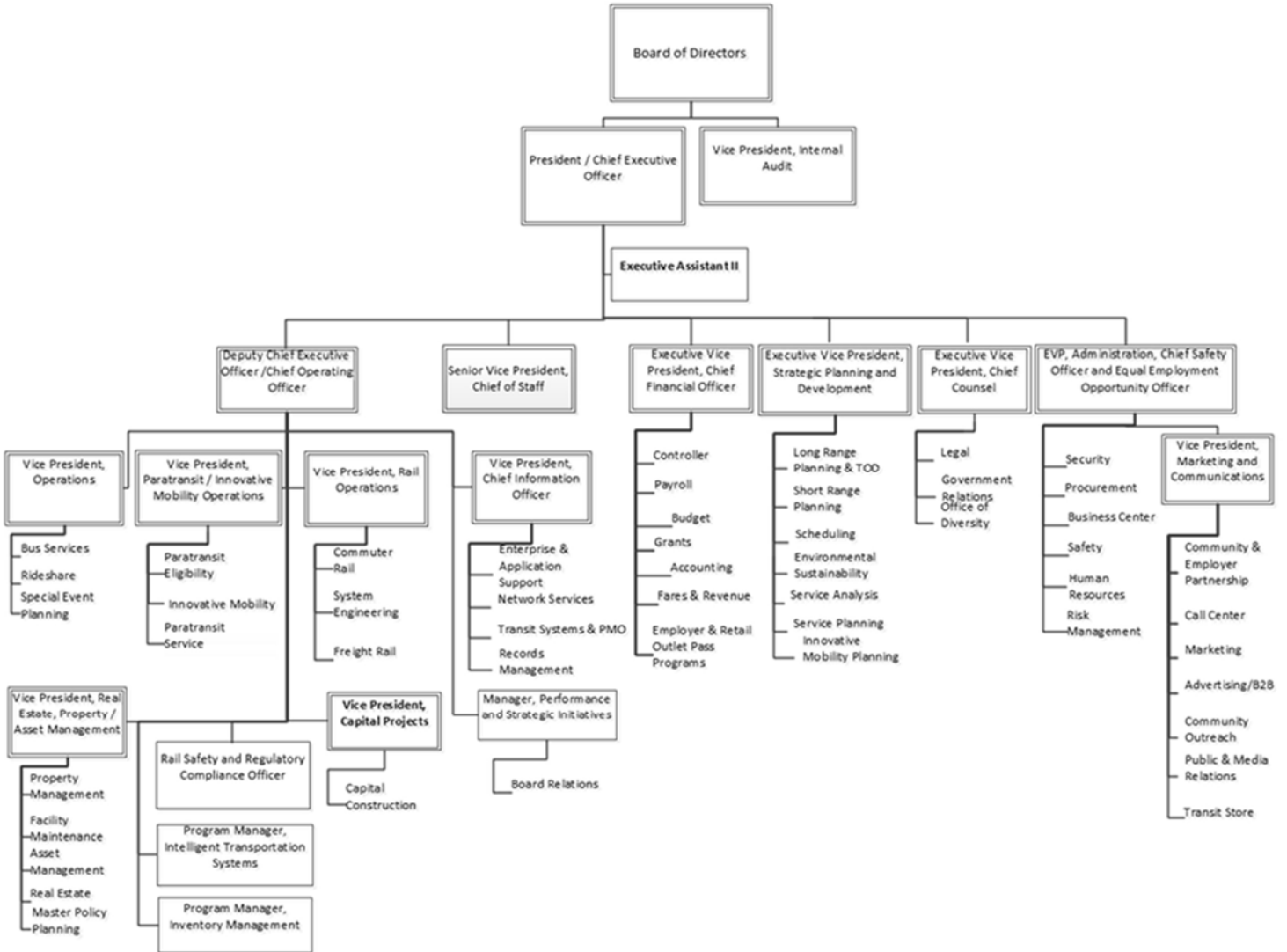
##### Service Levels

It is assumed that bus and rail service miles and hours traveled will be funded at budgeted levels. Further details are available in the Financial and Budget Summary section.

##### Staffing Levels

The Full-Time Equivalent (FTE) Staffing Chart on page 18 shows the staffing levels by department. Staffing levels will increase by 3 FTEs in FY2018 to help manage increasing workloads.

### FY2018 Organizational Chart

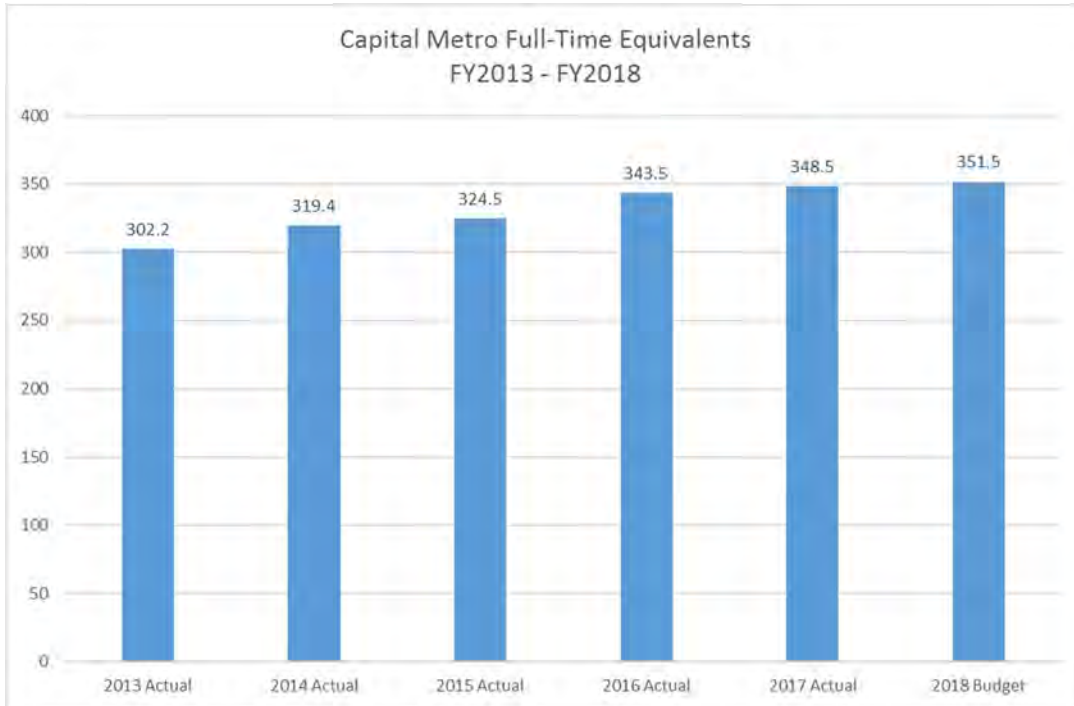




### Full-Time Equivalent Staffing Chart

Department	FY2016 Actual	FY2017 Budget	FY2017 Staffing Changes	FY2018 Proposed Budget	FY2018 Changes in FTEs	Notes
Board of Directors Support	2.0	2.0	-	2.0	-	
Bus and Paratransit Contract Operations	16.0	16.0	-	18.0	2.0	Added a new Service Impact Coordinator and a new Mobile Technology Technician
Bus Contract Operations	5.0	5.0	(1.0)	4.0	-	Transferred 1 FTE to Paratransit Contract Operations
Business Center	-	-	-	-	-	
Capital Projects	9.0	11.0	-	12.0	1.0	Transferred 1 FTE from Rail Commuter Operations
Child Care Center	-	-	-	-	-	
Communications	7.0	7.0	(1.0)	5.0	(1.0)	Transferred 1 FTE to Community Involvement and eliminated a Communication Specialist position
Community Involvement	6.0	6.0	1.0	7.0	-	Transferred 1 FTE from Communications
Customer Service	25.5	25.5	-	25.5	-	
Executive Staff	3.0	3.0	-	3.0	-	
Finance	23.0	23.0	-	23.0	-	
Government Relations and Compliance	4.0	4.0	-	4.0	-	
Human Resources	12.0	12.0	1.0	13.0	-	Added a new Training Coordinator
Information Technology	37.5	37.5	(1.0)	36.5	-	Eliminated ERP Technology Project Coordinator-Temp
Internal Audit	3.0	3.0	-	3.0	-	
Legal	4.0	4.0	-	4.0	-	
Marketing	14.0	14.0	-	14.0	-	
Paratransit Administration	3.0	3.0	-	3.0	-	
Paratransit Contract Operations	2.0	2.0	1.0	3.0	-	Transferred 1 FTE from Bus Contract Operations
Paratransit Eligibility	10.0	10.0	-	10.0	-	
Paratransit Reservations and Control Center	33.0	33.0	-	33.0	-	
Procurement	15.0	16.0	-	16.0	-	
Property and Asset Management	8.0	8.0	1.0	9.0	-	Transferred 1 FTE from Real Estate Management
Public Facilities	13.0	13.0	-	14.0	1.0	Added a new Maintenance Technician
Rail Commuter Operations	10.5	11.5	-	8.5	(3.0)	Transferred 2 FTEs to Rail Compliance and 1 FTE to Capital Projects
Rail Compliance	-	-	-	2.0	2.0	Transferred 2 FTEs from Commuter Rail
Rail Freight Management	1.0	1.0	-	1.0	-	
Real Estate Management	5.0	5.0	(1.0)	4.0	-	Transferred 1 FTE to Property and Asset Management
RideShare	1.0	1.0	-	1.0	-	
Risk Management and Safety	5.0	5.0	-	5.0	-	Added a new Senior Administrative Assistant and eliminated 2 part-time Interns
Security	33.0	33.0	-	33.0	-	
Strategic Operations Management and Administration	6.0	6.0	-	6.0	-	
Strategic Planning and Development	27.0	28.0	-	29.0	1.0	Eliminated a Data Collections Specialist, added a new Transit Speed and Reliability Coordinator and a new Regional Coordination Planner
Wellness	-	-	-	-	-	
<b>Total Capital Metro FTEs</b>	<b>343.5</b>	<b>348.5</b>	<b>-</b>	<b>351.5</b>	<b>3.0</b>	

The following chart shows full-time equivalents for Capital Metro from FY2013 to FY2018.





2018 - 2023 Strategic Plan Overview					
Vision	Capital Metro is transforming the daily lives of Central Texans by providing a robust, sustainable transportation network.				Major Performance Goal:
Mission	Capital Metro connects people, jobs and communities by providing quality transportation choices.				Increase Ridership and Revenue
Goal Areas	Customer Experience	Ridership	Community	Human Capital	Finance
Goal Statements	1. <b>Deliver the best possible customer experience:</b> Foster a culture of continuous improvement that meets customer needs and results in satisfied customers.	2. <b>Demonstrate regional leadership:</b> Be the trusted partner in regional and policy planning and the leader in public transit.	3. <b>Demonstrate the value of public transportation in a dynamic community.</b>	4. <b>Recruit, acquire, retain, develop, motivate and reward a high-performing and top quality work force.</b>	5. <b>Exhibit good stewardship of public funds:</b> Use available resources and institute productive and sustainable business practices that will ensure resources are used efficiently and effectively
Objectives	<p>1.1 <b>Promote a culture of safety:</b> Ensure that safety comes first in design, operation, and maintenance of the system.</p> <p>1.2 <b>Improve system reliability and convenience:</b> Deliver the service promised at locations, frequencies and hours that meet customer needs.</p> <p>1.3 <b>Ensure an attractive and accessible transit environment:</b> Provide transit vehicles, facilities and amenities that make using the system a satisfying experience.</p> <p>1.4 <b>Deliver a customer-friendly experience through our people and systems:</b> Ensure that each customer interaction is helpful and courteous and</p>	<p>2.1 <b>Foster a new regional vision</b></p> <p>2.2 <b>Lead public transportation development:</b> Establish the vision and implement a system plan that supports the values and future growth of the region.</p> <p>2.3 <b>Pursue service expansion opportunities:</b> Partner to implement and support a complete regional transportation system.</p> <p>2.4 <b>Encourage/promote transit oriented development:</b> Create and promote healthy communities supported by transit and effective land use planning.</p> <p>2.5 <b>Generate funding:</b> Increase funding to sustain long- and short-</p>	<p>3.1 <b>Educate and inform stakeholders and the community about Capital Metro's vision and mission and the value public transit brings to a community:</b> Strategically develop and effectively communicate the value of transit services to current and emerging markets.</p> <p>3.2 <b>Build strong community partnerships that further Capital Metro's mission and vision:</b> Build meaningful partnerships with key stakeholders that result in support for Capital Metro's mission and vision.</p> <p>3.3 <b>Create service strategies that utilize community and stakeholder feedback:</b> engage the community to provide feedback to better inform key agency decisions.</p> <p>3.4 <b>Support plans and programs designed to build ridership and increase market share</b></p>	<p>4.1 <b>Enhance organizational development:</b> Develop knowledge, skills and abilities of employees by providing relevant training, tools and the technology infrastructure to encourage initiative, career development and support success of organizational goals.</p> <p>4.2 <b>Enhance employee recognition/ reward programs:</b> Implement meaningful reward systems that show employees they are valued.</p> <p>4.3 <b>Be an employer of choice:</b> Create and brand a work environment that attracts and retains top talent.</p> <p>4.4 <b>Improve internal communications:</b> Develop and implement an internal communications strategy.</p>	<p>5.1 <b>Continue improvement of the financial systems of the agency:</b> Seek improvement opportunities to strengthen the financial conditions, system and controls to maintain the financial health of the organization.</p> <p>5.2 <b>Implement sustainability and environmental stewardship:</b> Manage resources to reduce impacts on the environment and operating costs. Provide our community with clean and sustainable transit options, complying to transit asset mgt system MAP21 guidelines.</p> <p>5.3 <b>Continue commitment to state of good repair (SOGR) and transit asset management</b></p>

### **Summary of Financial Policies**

Capital Metro is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. The appointed members of the board have the authority to make policy decisions, select the President/Chief Executive Officer of Capital Metro and maintain primary accountability for fiscal matters. Capital Metro is in compliance with its financial policies.

Capital Metro’s primary financial goal focuses around providing effective and efficient transportation services and systems to the public using a balanced budget. The financial goals of Capital Metro are to:

- Operate under a balanced budget.
- Safeguard and maximize resources.

The following guidance and policies are in place to achieve these goals:

- Capital Metro operates under a balanced budget. Capital Metro’s definition of a balanced budget is in accordance with the Texas Transportation Code, Section 451.103.
- Capital Metro utilizes the zero-based budgeting concept.
- Capital assets are recorded at cost and are depreciated over their useful life using the straight-line method.
- Fixed assets for capitalization and financial reporting purposes are purchased items that have a useful life of more than 1 year, are of a tangible nature and have a value of \$5,000 or more, net cost, not including trade-ins or any taxes, licenses, etc.
- Sales tax revenue is accrued monthly based on information provided by the Texas Comptroller of Public Accounts.
- Capital Metro funds its capital improvements with sales taxes and grants, primarily from the FTA. Revenue is recognized when all eligibility requirements have been met. The grantor retains a reversionary interest in the capital asset over the estimated useful life of that asset.

### **Reserves and Contingencies Policy**

During FY2015, staff recommended several revisions to the board’s finance and audit committee associated with reserve levels. Proposed changes to this policy were recommended by the committee and approved by the board in February 2015. Highlights of the revised policy are outlined as follows.

Capital Metro will maintain the following reserve and budgetary contingency accounts in addition to any cash balances that must be maintained to support current spending requirements. The board recognizes that a period of time may be required to reach these balances. Capital Metro management will report annually to the board as part of budget development and long-range planning processes on progress made to achieve the goals that follow.

- A statutory operating reserve equal to at least 2 months of operating expenses. The prior fiscal year's actual audited operating expenses will be used when calculating the allocation. The statutory operating reserve is to be used at the discretion of the board only if the board considers the expenditure necessary to address circumstances that could not have been planned or anticipated. Expenditures from the reserve should provide temporary financing for emergencies or unforeseen extraordinary needs.
- A capital project reserve equal to at least 10 percent of the five-year annual average capital expenditure of the adopted Five Year Capital Improvement Plan, but not less than \$2,000,000. The capital reserve is to be used at the discretion of the board only for needed capital costs not already included in Capital Metro's budget for a given year.
- A budgetary operating contingency account equal to 2 percent of the prior fiscal year actual operating expenses, but not less than \$1,000,000. The operating contingency account is to be used at the discretion of the board or the chief executive officer to provide for unforeseen needs that arise during the year, including new service needs that are identified after the budget process. Transfers to and from the contingency account of \$150,000 or more is to be reported to the board of directors monthly.
- A self-insurance reserve equal to at least 25 percent of the prior fiscal year actual claim payments. The self-insurance reserve is to be used at the discretion of the board only to fund claims not already included in Capital Metro's budget for a given year.
- A budget stabilization reserve ("rainy day fund") equal to 30 days of annual average operating expenses as a base plus an annual contribution of 25 percent of actual sales tax receipts in excess of sales tax budgeted. The budget stabilization reserve sets aside excess revenue for use in times of unexpected revenue shortfall caused by events such as significant economic downturns and is to be used at the discretion of the board.

### **Summary of Debt Policy**

Debt: Section 451.352 of the Texas Transportation Code authorizes an authority to issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement or extension of its transit authority system with the following conditions:

- The board, by resolution, may authorize the issuance of bonds payable solely from revenue.
- Bonds, any portion of which is payable from taxes, may not be issued until authorized by a majority of the votes received in an election ordered and held for that purpose.
- Capital Metro's bonds may be sold at a public or private sale as determined by the board to be the more advantageous.
- The board, by resolution, may issue short-term bonds secured from revenue or taxes received if the debt has a term not exceeding 12 months, and the bond is payable with taxes or other revenue received on or after the date of issuance and before the end of the fiscal year following the fiscal year during which the bonds were issued.

- Capital Metro may not issue short-term debt (less than 12 months in duration) or bonds secured by the revenue of the Authority to finance the purchase, acquisition, construction, operation or maintenance of a fixed rail transit system without a voter referendum.

Pension Obligation Bonds: Section 451.139 of the Transportation Code gives Capital Metro the authority to issue bonds in the amounts necessary for managing or funding retiree pension benefit obligations for pension plans existing as of January 1, 2011, and that result from the competitive bidding of transit services required by Section 451.137. The use of this bonding authority is strictly limited, and it is the board's policy to use the authority only in a manner that is consistent with the original intent of the law and only at such a time as it can be justified in terms of the long-term financial sustainability of Capital Metro.

Contractual Obligations: Chapter 271, subchapter A of the Local Government Code authorizes Capital Metro to execute, perform and make payments under a contract with any person for the use or the purchase or other acquisition of personal property, or the financing thereof. This provision specifically applies to the purchase or lease of personal property or for financing the acquisition of personal property, such as vehicles. Projects involving purchases of real property or improvements to real property cannot be financed using contractual obligations under state law.

- The contract must (1) be on the terms considered appropriate by the board, (2) be in the form of a lease, a lease with an option or options to purchase, an installment purchase, or any other form considered appropriate by the board, including that of an instrument which would be required to be approved by the attorney general, provided that contracts in such form must be approved by the attorney general, (3) be for a term approved by the board and contain an option or options to renew or extend the term and (4) be made payable from a pledge of all or any part of any revenues, funds or taxes available to Capital Metro for its public purposes.
- Subject only to applicable constitutional restrictions, the board may obligate taxes or revenues for the full term of a contract for the payment of the contract. The contract may be for any term not to exceed 25 years.

Lease Financing: Lease obligations may also be considered appropriate for financing capital. Lease financing should be considered when determined to be more beneficial, either economically or from a policy perspective. Factors to be considered and evaluated include: the useful life of the capital, the terms and conditions of the lease, market convention and the impact on debt capacity and budget flexibility.

The primary goal of the board is to minimize the use of debt and to use debt financing prudently when it is utilized. Capital Metro will keep outstanding debt within the limits prescribed by state law and at levels consistent with its creditworthiness objectives. Capital Metro will maintain debt service coverage ratios consistent with the best practices for local government debt issuance. At a minimum, the debt service coverage ratio for financial planning purposes will be set at an average coverage ratio of 2 times net revenue over annual debt service costs. The debt-to-net-revenue coverage ratio will be calculated and presented to the board annually and included in Capital Metro's Comprehensive Annual Financial Report.

Capital Metro is in compliance with its debt policy.

## Summary of Fare Policy

### Purpose

The purpose of this policy is to establish goals, objectives and guidelines to assist the Capital Metro board and staff in making decisions regarding adjustments to fares. All such decisions will also be made in accordance with Capital Metro's enabling legislation, Texas Transportation Code Section 451, as amended, and FTA fare requirements including 49 Code of Federal Regulations (CFR) section 609 for reduced fares. When considering increasing or restructuring fares, Capital Metro will conduct a comprehensive review of ways to reduce costs and increase ridership and the corresponding effects on farebox recovery, to minimize the effects of any fare changes on Capital Metro's customers. Capital Metro's fare policy includes a long-term goal of achieving fare recovery of at least 20 percent. This level of fare recovery has not yet been achieved and will need to occur over time. Capital Metro's fare recovery ratio remained relatively stable over the 2 most recently completed fiscal years, at close to 11 percent.

### Goal

The goal of this fare policy is to support Capital Metro's overall strategic mission to provide quality public transportation choices for our community that meet the needs of our growing region. To accomplish this mission Capital Metro must develop and use its resources in a manner that ensures sustainable business growth.

### Fare Policy Review

Capital Metro will review its fare policy and pricing annually with the expectation that fares may be adjusted as necessary to keep pace with the rate of increase in the cost of transit operations. Generally, fare changes will become effective in conjunction with service changes in January or August. Recommendations for fare adjustments will be developed in conjunction with the budget process for the following fiscal year.

No fare changes are planned during FY2018. Recent discussions with the board during Capital Metro's long-range financial forecasting process focused on the need for a periodic, systematic assessment of fares at least every 3 years. Capital Metro worked with a transportation consultant to update its long-range service plan as part of the Connections 2025 process. Because of this process, the premium fare level for MetroRapid service was eliminated from the agency's fare structure in January 2017. The consultant also made recommendations regarding future potential service changes and indicated there may be future opportunities to amend Capital Metro's fare structure as well. Changes recommended by the consultant were considered by the board as part of budget development for FY2018.

Capital Metro is in compliance with its fare policy.



**Current Fare Structure**

Fare Type	Local	Local Reduced	Commuter	Commuter Reduced	MetroAccess
Single Ride	\$1.25	\$0.60	\$3.50	\$1.75	\$1.75
Day Pass	\$2.50	\$1.25	\$7.00	\$3.50	None
7-Day Pass	\$11.25	None	\$27.50	None	None
31-Day Pass	\$41.25	\$20.60	\$96.25	\$48.10	None

Additional Passes	
MetroAccess 10-Ride Ticket Booklet	\$17.50
MetroAccess Monthly Pass	\$46.50
Stored Value Card (\$20.00 value)	\$20.00
Stored Value Card (\$40.00 value)	\$40.00

**Local:** MetroBus, MetroAirport, MetroFlyer, UT Shuttle and MetroRapid.

**Commuter:** MetroRail and MetroExpress (Commuter passes are also valid on all Local services.) All MetroRail tickets will be purchased at the Commuter rate. A MetroRail Single Ride ticket is valid only for a one-way trip.

**Reduced Fares** are available to riders with a Capital Metro Reduced Fare ID. Seniors 65 and older, Medicare cardholders and people with disabilities may obtain the ID for \$3.00 from the Capital Metro Transit Store. Students 6-18 with a valid school ID and active or a reserve military with a valid ID also qualify for reduced fares.

**MetroAccess Monthly Passes** are valid for all Local and Commuter services. Customers riding Local or Commuter services with a valid MetroAccess Monthly Pass are required to possess a valid Capital Metro issued MetroAccess ID.

**MetroAccess Single Ride and 10-Ride Ticket Booklets** are valid only for MetroAccess services. The tickets are not valid for Local or Commuter services.

**MetroRideShare** program provides eligible groups of 5-12 people with a month-to-month vanpool lease agreement including maintenance, insurance, 24-hour roadside assistance and a fuel purchasing program. The cost of a MetroRideShare vanpool varies and is based on vehicle selection, commute distance and number of riders sharing the monthly vanpool lease, plus fuel and tolls. Capital Metro provides a monthly subsidy to each group to offset the monthly lease of the vanpool vehicle. In-service area groups operating wholly within the Capital Metro service area receive a monthly subsidy of \$500. Out-of-service area groups with either an origin or destination outside of the Capital Metro service area receive a monthly subsidy of \$450.

## **Expense Policies**

### **Expenditure Accountability**

All invoices are reviewed on multiple levels. Monthly or quarterly reports that provide operational accountability are provided to department directors, the executive team and the board. Capital project budgets and progress are monitored and reported to the department directors, the senior executive team and the board at predetermined intervals. Capital Metro has an Internal Audit department that reports directly to the board and is an independent source of objective advice.

### **Income Taxes**

Capital Metro is a political subdivision of the state of Texas and is not subject to income taxation. The Authority's business relationship with its only component unit, StarTran, ended in August 2012. StarTran will continue as a nonprofit corporation until it is dissolved and does not intend to earn a profit during its association with Capital Metro. For federal income tax purposes, StarTran is required to file the necessary federal income tax returns under a for-profit status and is therefore subject to income tax on any profit earned during the year.

### **Procurement Policy and Procurement Methods**

Capital Metro's Procurement department is responsible for purchasing all goods and services required by Capital Metro in accordance with sound public contracting policies and procedures. These policies are designed to provide timely delivery of goods and services, quality customer service and savings through:

- Obtaining most competitive market price to meet or exceed agency's needs.
- Maintaining effective and user-friendly processes and systems.
- Building strategic partnerships with internal customers.
- Obtaining maximum value from supplier relationships.
- Providing education tools for procurement teams, customers and suppliers.

Capital Metro is in compliance with its procurement policy, which is entitled "Acquisition Policy."

Capital Metro uses a variety of procurement methods. Selecting the correct one is dependent on several factors. One important factor is the estimated price. Small purchases expected to cost less than \$50,000 are purchased via Capital Metro's "small purchases" method of procurement. There are other infrequently-used procurement methods. They include sole source and Statement of Qualifications for statutory professional services for disciplines that require compliance with the Texas Professional Services Act, and emergency procurements.

### **Micro Purchases**

Purchases less than \$3,000 or micro-purchases, including delivery charges, may be accomplished without securing competitive quotations if the prices are considered fair and reasonable. Procurement staff and employees using purchasing cards for micro-purchases are required to equitably distribute the purchase of like goods and services among qualified suppliers. Micro-purchase procedures may not be used for construction contracts with a value of \$2,000 or more.

### **Request for Quotes**

A Request for Quotes (RFQ) is used when a purchase is expected to cost between \$3,000 and \$50,000. A brief description of the item needed is provided to vendors, who submit written quotes to Capital Metro by an established deadline. Capital Metro distributes an RFQ to registered vendors through DemandStar. Vendors can register with DemandStar and request a free agency-level subscription. Procurement staff adds supplemental suppliers to the DemandStar broadcast list obtained from the user department's source lists, internet, industry guides, etc.

### **Large Purchases**

Purchases in excess of \$50,000 require more comprehensive methods than those used for small purchases. These purchases are solicited using a full and open competition process to allow all prospective bidders/offerors an opportunity to do business with Capital Metro. Special efforts are made to make the vendor community aware of Capital Metro's requirements. Solicitations are advertised in newspapers and transit industry publications, and Capital Metro distributes solicitation notifications to registered vendors on DemandStar.

The basic types of procurement methods used for large purchases are Invitation for Bids (IFB) and Request for Proposals (RFP). Generally, goods/commodities are procured via IFB, whereas services are generally procured via RFP. The solicitation is developed and includes a detailed purchase description and/or statement of work, contractual terms and conditions, and instructions on how to submit an offer to Capital Metro. Solicitations generally remain open for 30 days so that vendors may have enough time to respond.

For IFBs, Capital Metro awards contracts to the responsive and responsible bidder offering the lowest price. A bid is responsive if it meets all the material requirements of a solicitation; in other words, the bid submitted by the vendor does not vary from Capital Metro's original requirement. A bidder is responsible if it can demonstrate the capacity and the willingness to perform (e.g., proper equipment, manpower, financial resources, technical expertise, etc.). Therefore, when the IFB method of procurement is used, the "low bidder" does not necessarily receive the award. An award is made to the "low bidder" only if the bidder meets both tests of responsiveness and responsibility.

For RFPs, awards are not based on price alone, but other weighted factors of importance specified in the solicitation. Selection for award is done by an evaluation team that independently evaluates the proposals submitted. The vendor/contractor offering the best value to the Authority, price and other factors considered, is selected.

For each solicitation issued, Capital Metro assigns a contracts administrator as primary point of contact to assist vendors. In addition, a conference is generally scheduled well in advance of the bid/proposal submission deadline so vendors may obtain clarification from Capital Metro. After receipt of proposals, the information contained in the proposals or concerning the number or identity of offerors is unavailable to the public or to anyone in Capital Metro not having a legitimate interest or need to know prior to the recommendation of award of a contract. After evaluation of all offers, Capital Metro awards a contract. Contracts in the amount of \$150,000 and above require approval by Capital Metro's board of directors prior to award.



### **Summary of Revised Financial Policies**

During FY2015, staff recommended several revisions to the board's audit and finance committee to expand the scope of Capital Metro's financial policies and to more clearly define budget accountability. Proposed changes to this policy were recommended by the committee and approved by the board in October 2015. Highlights of the changes are outlined below.

Capital Metro will establish accounting practices that conform to generally accepted accounting principles as set forth by the authoritative standard setting body.

An annual audit will be performed by an independent certified public accounting firm and a comprehensive annual financial report (CAFR) shall be issued no later than 6 months following the end of the fiscal year.

The independent certified accounting firm shall report the results of the annual audit to the board's Finance, Audit and Administration Committee no later than sixty days after the issuance of the CAFR. The chief financial officer shall be responsible for establishing processes to ensure timely resolution of audit recommendations, if applicable.

Capital Metro shall provide its annual share of contributions to retirement plans in accordance with actuarial recommendations.

Investments shall be made prudently in conformance with Capital Metro's Investment Policy and state statute.

All grants and other federal and state funds shall be managed to comply with the laws, regulations and guidance of the grantor.

A five-year financial forecast shall be prepared annually projecting revenue and expenditures. The forecast shall be used as a planning tool in developing the following year's budget and five-year capital improvement plan.

A financial forecast that spans a longer planning horizon shall be prepared at least every 5 years, or more frequently if dictated by changing conditions or priorities. The long-range financial forecast shall be developed in conjunction with Capital Metro's comprehensive service plan development to evaluate whether estimated funding sources are sufficient to address service priorities over the planning period.

The board shall adopt a budget for the coming fiscal year as required by Section 451.102 of the Code, and a five-year capital improvement plan as required by Section 451.135, no later than its September board meeting. As required by statute, the proposed budget will be made available for public review at least 14 days prior to the board meeting.

Budget accountability rests primarily with individual departments. Department directors and the Finance department shall review budget variances on a monthly basis. Significant budget variances will be further evaluated by the Finance department, the respective department director and business unit vice president to determine whether remedial action is required. If remedial action is required, the Finance department will make recommendations to the chief executive officer (CEO) and deputy CEO to address the variance.

Section 451.103 of the Code states that an authority may not spend for operations in excess of the total amount specified for operating expenses in the annual operating budget. Capital Metro maintains budget control at the departmental level for purposes of operational spending. Section 451.133 of the Code states that an agency may not spend for capital improvements in excess of the total amount allocated for major capital expenditures in the annual budget. Capital Metro maintains budget control at the project level for capital expenditures.

### **Fund Balance and Reserves/Contingencies Requirements**

Sound governmental financial practices require the accumulation and maintenance of funds to help stabilize the budget when needed, or to accumulate funds for future spending requirements. An entity's accumulated fund balance provides funds that may be needed to address shortfalls that can occur periodically, such as temporary cash flow shortages, emergencies or other unforeseen events. These balances also help provide funding for long-term capital needs. After years of hard work and careful planning, Capital Metro continues to strengthen its financial position. From a low point in 2009 when Capital Metro's balance was only \$7.8 million, recent year-end projections of \$159.6 million for FY2017 will help provide the funding needed to address a number of critical capital needs to achieve a state of good repair for Capital Metro's transportation assets. In FY2017, Capital Metro completed a comprehensive assessment of its transit assets and then developed a long-range financial forecast that provided a funding framework for systematic replacement based on estimated available funding.

Senate Bill 650 was passed by the Texas Legislature in 2011. This legislation added Section 451.134 and requires Capital Metro to establish, in an account separate from other funds, a reserve account in an amount equal to or greater than actual operating expenses for 2 months. The statute further provides that the amount held in reserve shall be adjusted annually based on Capital Metro's actual operating reserves for the twelve months immediately preceding the adjustment. In February 2015, the board approved revisions to Capital Metro's reserves and contingencies policy, formally referring to this reserve account as the "statutory operating reserve."

In FY2018, Capital Metro's budget includes spending from accumulated fund balance to help invest in critical capital needs. Despite this expenditure, Capital Metro has met the operating reserve requirements set forth by the Texas Legislature. The statutory operating reserve account is currently funded at \$37.6 million based on the immediately preceding twelve months and is expected to increase to approximately \$41.7 million in FY2018 as depicted in the table that follows. Capital Metro established the statutory operating reserve account in advance of the September 1, 2016 deadline set by the Legislature. The reserve amount will be adjusted annually when audited financial information becomes available. In addition, to the statutory operating reserve, the board approved an operating contingency account to be funded at a minimum of \$1 million each year as part of budget development.

Capital Metro has set aside funding for other reserves to help provide for critical needs that might arise in the future or currently outstanding commitments, including a self-insurance reserve at \$1.1 million. The budget also includes a reserve of \$12.6 million to fund estimated commitments beyond FY2018 under interlocal agreements with the city of Austin for mobility programs. The operating budget includes \$9.9 million in appropriations for potential billings from the city in FY2018. While sales tax collections were increasing, Capital Metro began funding a budget stabilization reserve in FY2016. This reserve was approved by the board in 2010 and was established to set aside excess revenue for use in times of unexpected revenue shortfall caused by events like unforeseen emergencies or significant economic downturns. The board recognizes that some time may be required to attain recommended balances in all approved reserves and contingencies, especially the budget stabilization reserve. By the end of FY2017, \$10 million will be held in the budget stabilization reserve. An additional contribution of \$1 million is budgeted for FY2018. Projections are depicted in the table that follows.

**FY2018 Estimated Ending Fund Balance:**

**Projected Beginning Balance** **\$159,560,825**

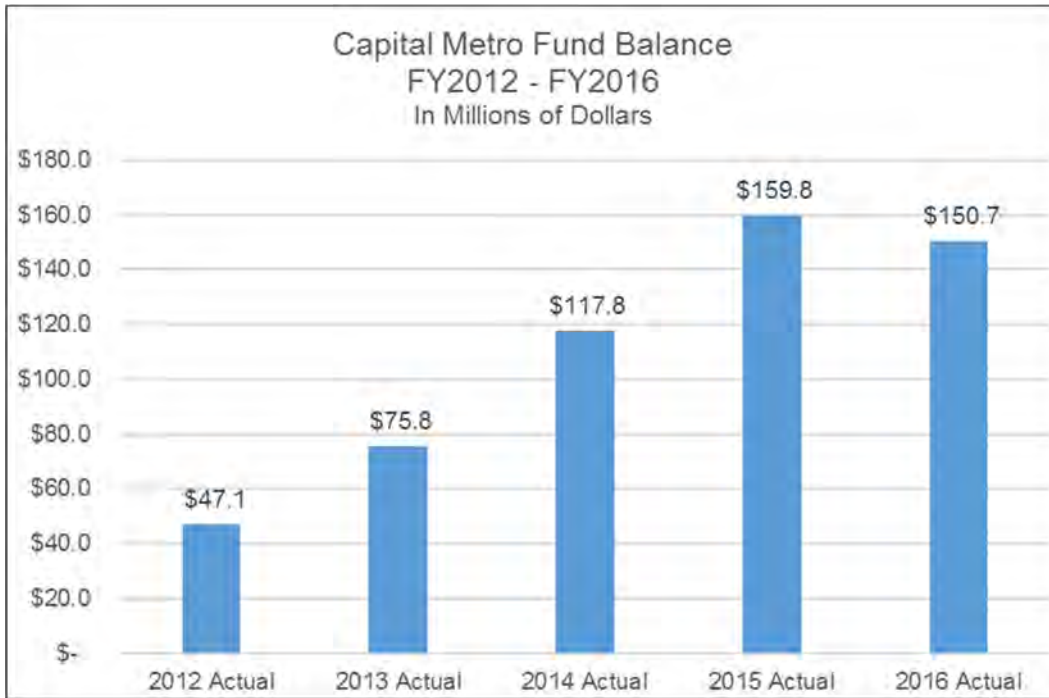
FY 2018 Projected Activity:

+ Revenue	335,415,431
- Operating Expenses	249,989,532
- Interlocal Agreements	12,402,876
- Rail Car Lease Principal Payment	2,917,311
- Bus Loan Principal Payment	2,020,000
- Capital Projects	151,502,913
<b>= Projected Ending Balance</b>	<b>76,143,624</b>

**Breakdown of Ending Balance**

Statutory Operating Reserve Requirement	41,665,000
Self-Insurance Reserve	1,108,000
City of Austin Mobility Programs	12,632,308
Budget Stabilization Reserve	11,000,000
Rail Car and Station Improvements	9,738,316
<b>= Projected Ending Balance</b>	<b>\$76,143,624</b>

The following chart depicts a history of ending fund balance for the last five fiscal years.





### Revenue by Category

The following schedule summarizes FY2018 revenue projections by category and calculates the increase or decrease compared to the FY2017 budget. The schedule also depicts FY2016 actual revenue, as well as FY2017 forecast revenue compared to the FY2017 budget. Sales tax revenue represents the primary source of revenue for Capital Metro, contributing approximately 70 percent of the total revenue budget.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
Sales Tax	\$221,298,975	\$231,124,000	\$228,343,830	\$234,052,425	\$2,928,425	1.3%
Passenger Revenue	24,053,224	25,067,000	23,389,169	25,210,000	143,000	0.6%
Freight Railroad Revenue	4,756,092	4,342,000	4,216,904	4,082,240	(259,760)	(6.0%)
Miscellaneous Revenue	3,841,435	4,741,000	3,369,500	3,032,000	(1,709,000)	(36.0%)
Operating Contributions and Grants	29,172,452	29,979,000	30,818,892	30,558,563	579,563	1.9%
Capital Grants - Federal	13,335,389	17,208,000	7,590,305	26,679,253	9,471,253	55.0%
Capital Grants - State	4,267,916	22,969,000	22,761,684	9,000,000	(13,969,000)	(60.8%)
Other Capital Contributions	0	1,187,000	0	2,800,950	1,613,950	136.0%
<b>Total Revenue</b>	<b>\$300,725,484</b>	<b>\$336,617,000</b>	<b>\$320,490,284</b>	<b>\$335,415,431</b>	<b>(\$1,201,569)</b>	<b>(0.4%)</b>

### Factors Affecting Revenue

#### Sales Tax Revenue

Sales tax represents the largest component of Capital Metro's total revenue. Sales tax revenue can fluctuate significantly from year to year since collections are directly related to economic conditions. Actual average growth over the last 10 years has been at over 4.5 percent per year. For FY2018, sales tax revenue is budgeted at 2.5 percent growth above FY2017 forecast due to more moderate growth in FY2017 receipts. This is slightly lower than the 3 percent growth assumption used by the city of Austin and its economic consultant to predict municipal sales tax revenue. The city of Austin is the largest contributing member in Capital Metro's service area.

Annual growth in the economy is cyclical. With sales tax revenue increasing, Capital Metro began funding a budget stabilization reserve in FY2016. The establishment of this and other reserve accounts was approved by the board in 2010. The budget stabilization reserve was established to set aside excess revenue for use in times of unexpected revenue shortfall caused by events like unforeseen emergencies or significant economic downturns. Sales tax revenue declined in FY2009 when the local economy contracted. As sales tax revenue began to recover in subsequent years, Capital Metro focused first on funding an operating reserve required by state law. Beginning to fund the budget stabilization reserve over the next few years will help ensure that increases in sales tax revenue are not wholly dedicated to adding ongoing services and costs to the budget in peak years based on a revenue source that can fluctuate significantly. Capital Metro is contributing \$3 million to the reserve in FY2017 and plans to contribute an additional \$1 million in FY2018.

#### Passenger Revenue

In January 2015, Capital Metro implemented the final phase of a new fare structure. This increase was in accordance with a fare policy adopted by the board in September 2013. The fare policy recommends that fare adjustments be developed in conjunction with the annual budget process. Recent discussions with the board during Capital Metro's long-range financial forecasting process focused on the need for a periodic, systematic assessment of fares at least every 3 years.

No fare increase is planned in FY2018. In total, \$25.2 million is projected in passenger revenue. Revenue collected in the farebox is estimated at \$7.8 million, and \$8 million is projected from the sale of passes for bus, rail and paratransit services. Capital Metro worked with a transportation consultant to update its long-range service plan as part of Connections 2025. Service changes that will come out of that process include a series of route and schedule adjustments that are a part of the budget development for FY2018.

Included in the passenger revenue category are payments from the University of Texas for shuttle services for their students, faculty and staff. Revenue can vary due to service hours, ridership and contracted rates. Service hours are expected to remain relatively stable for the University of Texas service in FY2018 with revenue estimated at \$6.2 million.

Revenue from MetroRideShare, Capital Metro's vanpool service, is expected to increase in FY2018 as a result of projected service demand. Total revenue is estimated at \$1.1 million. Capital Metro projected 245 vehicles for FY2017 and currently has 240 vanpools in service. Approximately 267 vanpools are projected by the end of FY2018 and this trend reflects increasing demand for alternative modes of transportation in the Austin metropolitan area. Under the terms of the current contract with the MetroRideShare provider, vanpool customers will pay an average of approximately \$17 more per vanpool in FY2017. This equates to an increase of \$1.25 to \$1.65 per month depending on the size of the vehicle and number of vanpool members.

### **Freight Rail Revenue**

In June 2015, the board approved a contract with Watco Companies, LLC, for freight operations and maintenance services on Capital Metro's railroad. The contract provides for a base period of 20 years with 6 five-year options and Watco assumed complete operation of the assigned services on October 1, 2015. The contract represents a new business model for Capital Metro that includes a revenue sharing component, under which Capital Metro will receive 16.5 percent of gross revenue each year. In FY2018, Capital Metro's share of gross revenue is expected to approximate \$3.5 million based on estimated shipping activity. In addition to projected revenue, maintenance costs previously budgeted directly by Capital Metro have shifted to the operator. As the owner of the railroad, Capital Metro will continue to be responsible for certain capital investments, such as its bridge replacement program.

In January 2005, the United States Congress enacted the Railroad Track Maintenance Tax Credit—section 45G of the U.S. Tax Code. The 45G tax credit is a federal income tax credit for track maintenance conducted by short lines and regional railroads in the United States. The credit granted an amount equal to 50 percent of qualified track maintenance expenditures and other qualifying railroad infrastructure projects. Congress approved an extension of the tax credit in December that covers 2015 and 2016. The annual amount for 2016 was approximately \$575,000. The 45G tax credit expired at the end of tax year 2016. This credit has not been budgeted for FY2018 due to the uncertainty of it being extended in the 2017 tax code.

The remainder of revenue reported in this category is approximately \$550,000 and is related to licenses and fees associated with use of Capital Metro's railroad right-of-way.

### **Miscellaneous Revenue**

Revenue in this category includes \$1 million projected in advertising revenue on Capital Metro buses, \$750,000 from fees generated at the Child Care Center, \$215,000 from Wellness Center fees and \$873,000 in interest earnings. Other projected revenue sources include the sale of schedule books, MetroBike cards, photographic identification and shipping and handling fees.

### **Operating Contributions from Grants**

Grants are typically the second largest component of Capital Metro's total revenue. Capital Metro uses its grant funding for eligible operating and capital activities. The majority of grant funding contributed to operating activities is provided through the FTA. Capital Metro does not use its own employees to operate or maintain its transit vehicles. Instead it turns to public or private providers to operate the transit service. The FTA makes grant funds available to reimburse the capital consumed during the course of the service contract. The FTA refers to this concept of assisting with capital consumed as the "capital cost of contracting." Since FY2014, Capital Metro has allocated annually approximately \$28 million of its 5307 program funds to the capital cost of contracting. Other operating expenses that will be reimbursed by federal grants during FY2018 include approximately \$1.06 million for long-range transportation planning associated with the Project Connect Central Corridor Project and \$100,000 for expenses related to the Office of Mobility Management for short-range planning and coordination activities with other public transportation providers and human service agencies.

### **Capital Grants**

Capital Metro receives grant funding through a variety of grant programs for various capital projects. These projects include purchasing new buses, amenities for bus stops, rail infrastructure improvements and technology. Some of the federal grant funds are apportioned to Capital Metro annually by the FTA under a prescribed formula. The Grants for Buses and Bus Facilities Formula Program 5339(a) program is one example. Since FY2014 Capital Metro has allocated its annual 5339(a) program funds (approximately \$2 million) to replace buses that have exceeded their minimum useful life. In FY2018, Capital Metro will become an eligible recipient under the state of good repair formula program (5337 program), which provides capital assistance for maintenance, replacement and rehabilitation projects of existing public transit rail systems to maintain a state of good repair. Allocations for FY2018 are expected to be announced toward the end of the 2017 calendar year.

Other grants have been awarded to Capital Metro for specific capital projects at the discretion of the funding agency instead of by formula. Discretionary grants will provide revenue for various projects in FY2018. Existing capital projects funded by discretionary grants awarded through the FTA in previous years include capital improvements related to the implementation of the MetroRapid service and freight and public transit rail infrastructure improvements. During FY2018 construction is expected to begin on a permanent rail station in downtown Austin funded with a grant awarded in 2014 by the Texas Transportation Commission and administered by the Texas Department of Transportation (TxDOT). The new Downtown Station will be larger and designed to better serve increased ridership and crowds during special events. Part of that award was also used to purchase new trains. The new trains, which were delivered in the spring of 2017, will increase capacity by up to 2,400 additional passengers during morning and afternoon peak times. They will allow Capital Metro to increase the frequency of trains during peak periods from 34 to 15 minutes and to add an extra train after 7 p.m. to give commuters another alternative to driving during rush hour.

Available discretionary grant funding awarded more recently includes \$3 million awarded by the Federal Railroad Administration (FRA) and \$9.8 million by the U.S. Department of Transportation (USDOT) for railroad safety technology, \$1.6 million from the Texas Commission on Environmental Quality (TCEQ) to replace older diesel buses with new clean diesel buses and \$550,476 from the Federal Emergency Management Agency (FEMA) for security enhancements.

Capital Metro continues to monitor and pursue other grant opportunities to maximize transit benefits available to the region. Because many of these grant programs are highly competitive, capital grant projections reflect only grants that have been awarded to Capital Metro by the grantor.



**Other Capital Contributions**

Other capital contributions include \$1,451,000 in reimbursement funding from TxDOT for crossing improvements along the freight line and the commuter rail corridor, \$500,000 from city of Austin for storm water improvements at Downtown Station, \$600,000 from the developer of the MetroRail Kramer Station relocation and \$250,000 from the city of Leander for commuter rail corridor quiet zones.



### Operating Expenses by Category

The following schedule summarizes FY2018 operating expenses projections by category and calculates the increase or decrease compared to the FY2017 budget. The schedule also depicts FY2016 actual expenses, as well as FY2017 forecast expenses compared to the FY2017 budget. Purchased transportation services represent the primary category of operating expenses for Capital Metro, approximately 60 percent of the total operating budget.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
Labor and Benefits	\$35,894,235	\$39,281,759	\$38,695,599	\$42,210,696	\$2,928,937	7.5%
Professional Services	19,249,051	23,123,086	20,474,280	21,993,596	(1,129,490)	(4.9%)
Materials and Supplies	3,318,268	1,726,049	1,416,005	1,419,212	(306,837)	(17.8%)
Fluids	13,141,354	20,366,286	12,230,327	12,416,552	(7,949,734)	(39.0%)
Utilities	2,678,320	3,071,216	2,922,076	3,180,734	109,518	3.6%
Insurance	681,159	939,544	1,028,544	976,752	37,208	4.0%
Purchased Transportation	145,026,467	152,773,656	147,853,347	158,736,347	5,962,692	3.9%
Other	3,619,640	4,307,858	3,821,219	6,750,268	2,442,410	56.7%
Interest Expense	480,141	389,264	383,024	268,837	(120,427)	(30.9%)
Lease and Rent	1,738,661	2,294,287	1,737,700	2,036,538	(257,749)	(11.2%)
Interlocal Agreements	1,889,826	15,867,000	6,726,444	12,402,876	(3,464,124)	(21.8%)
<b>Total Operating Expenses, including Interlocal Agreements</b>	<b>\$227,717,120</b>	<b>\$264,140,005</b>	<b>\$237,288,566</b>	<b>\$262,392,408</b>	<b>(\$1,747,597)</b>	<b>(0.7%)</b>

### Factors Affecting Operating Expenses

#### Labor and Benefits

Six new full-time positions are included in the FY2018 budget to support the Bus and Paratransit Services, Public Facilities, Risk Management and Safety and Strategic Planning and Development departments. The approved new positions will help manage increasing workloads or special needs in each of these business units. Two full-time positions were eliminated in the FY2018 budget from the Communications and Strategic Planning and Development departments as well as 2 part-time positions from the Risk Management and Safety department. The budget also includes funding for performance-based salary increases for Capital Metro employees, estimated at an average increase of 3 percent. Funding for healthcare claims is projected based on current claims utilization, national medical trends and increases in eligible participants. Capital Metro's healthcare claims for FY2018 increased by 11.8 percent while the overall benefits expense increased 14.9 percent. Capital Metro offers premium and cash incentives to help manage these costs by encouraging employees and spouses to complete health risk assessments and biometric testing. The goal is to help participants identify any potential health issues proactively. The medical plan network discounts through United Healthcare (UHC) were 58 percent with local providers, which also contributes to controlling costs. In addition to these discounts, UHC offers wellness, health education and disease management programs for participants. Capital Metro also has an on-site wellness and fitness program. Funding for required employer contributions to the pension plans for FY2018 is included in this category as well. The administrative pension plan is increasing in FY2018 due to a higher participant count as well as a pension benefit credit extended to employees hired prior to the pension plan inception.



**Professional Services**

External services are needed for various operational and planning purposes in FY2018. Examples of these services include childcare center operations, janitorial and landscaping services, building maintenance and various planning studies, including a study of potential transit options in Austin's central core (partially funded by a grant). In FY2018 budgeted costs will decrease by approximately \$1.1 million compared to the FY2017 budget. This is mainly due to the completion of several projects in FY2017 that required the use of professional services and will not be needed in FY2018. These projects entailed services that were one-time or limited duration in nature.

**Fluids**

The budget for fluids consists primarily of funding for diesel fuel, but also includes gasoline. Both diesel fuel and unleaded gasoline costs are projected at an average of \$2 per gallon for FY2018, which includes taxes. During FY2017, Capital Metro incurred average fuel prices closer to \$2.26 per gallon for diesel, including taxes and net of its diesel hedging program.

**Purchased Transportation**

Purchased transportation costs are expected to increase by approximately \$6 million, resulting from 55,000 additional hours of service projected at service provider rates under approved contracts. The increase is anticipated primarily for fixed route and MetroRapid bus services. An increase of \$4.5 million is projected for fixed-route local services to fund planned schedule adjustments, as well as an increase in contract rates. An additional \$3 million of funding for 38,000 hours in additional service for FY2018 is included for service expansion of MetroRapid that includes increased frequency and longer service hours. A decrease of \$735,000 for suburban services is due to the removal of contingency funding from the FY2018 budget for potential of MetroExpress service in cooperation with the city of Buda and the city of Kyle not expected to occur until FY2019. Expense for this potential service will be offset by reimbursement through interlocal agreements with these communities. Costs associated with MetroAccess, Capital Metro's paratransit service, are expected to increase by \$382,000 based on continued demand for paratransit services in FY2018. Service costs associated with commuter rail services are expected to decrease by approximately \$1.2 million, due to a combination of factors. A reduction in fixed costs of \$1.4 million in FY2018 for DMU (Diesel Multiple Unit, or train) overhauls not occurring because of service schedule timing. Decreased costs are offset by increases in contracted rates, maintenance costs associated with the expanded fleet of trains and additional vehicle hours for service expansion with the use of additional new trains.

**Interlocal Agreements**

Capital Metro entered into an interlocal agreement with the city of Austin, which was amended in April 2010, to pay the city its pro rata share of 25 percent of Capital Metro's one-cent sales tax from 2001 to 2004 in consideration for the city to carry out transportation mobility projects approved by Capital Metro. The amount is payable annually based on eligible expenditures incurred during the previous fiscal year. The Austin City Council approved a new allocation for the funding that remains under this interlocal agreement and plans to begin moving forward with a revised list of priority projects. Accordingly, costs in FY2018 are expected to be higher compared to FY2017, and \$9.9 million is budgeted for this mobility program. Capital Metro has also set aside estimated funding in a separate reserve account so that funds will be available beyond FY2018 as the city continues work on these project priorities. In addition, this category includes funding for the Build Central Texas Program for transportation projects in suburban communities that are supportive of transit in an annual amount of \$250,000.



### Budget Summary

The table below summarizes Capital Metro's structurally-balanced approved budget for FY2018, and includes projected funding and expenses.

<b>Budget Summary</b>	
<b>Funding</b>	<b>FY2018</b>
Sales Tax	\$234,052,425
Passenger Revenue	25,210,000
Freight Railroad Revenue	4,082,240
Miscellaneous Revenue	3,032,000
Operating Contributions and Grants	30,558,563
Capital Grants - Federal	9,000,000
Capital Grants - State	26,679,253
Other Capital Contributions	2,800,950
Capital Funding Carried Forward from FY2017	57,500,902
Fund Balance	25,916,299
<b>Total Funding</b>	<b>\$418,832,632</b>
<b>Expenses</b>	<b>FY2018</b>
Operating Expenses	\$249,989,532
Loan Payments	4,937,311
Interlocal Agreements	12,402,876
Capital Project Expense	151,502,913
<b>Total Expenses</b>	<b>\$418,832,632</b>

### Debt Amortization

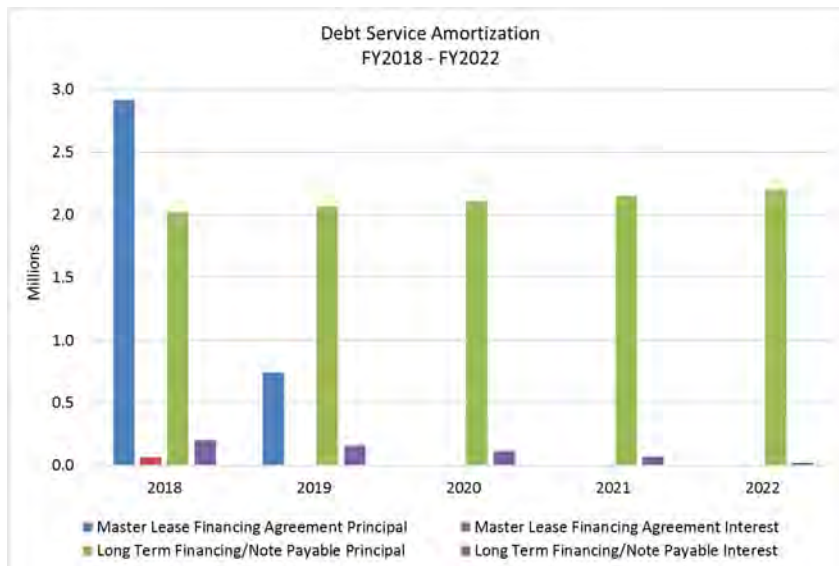
In November 2004, citizens of the Capital Metro service area voted to authorize Capital Metro to operate commuter rail service from Leander to downtown Austin. In February 2006, the board approved a tax-exempt lease/purchase financing agreement for the funding of rail vehicles. The Master Lease/Purchase Financing Agreement dated March 1, 2006, between Bank of America Leasing and Capital, LLC, and Capital Metro was executed to purchase 6 railcars from Stadler Bussnang AG, a corporation organized under the laws of Switzerland. The financed amount was \$36,044,935 with an interest rate of 3.77 percent, with payments due quarterly beginning in October 2006 for 10 years.

In December 2011, Capital Metro refinanced this note in the amount of \$19,190,263 with an interest rate of 2.48 percent, with payments due quarterly on January 15, April 15, July 15 and October 15 of each year beginning on January 15, 2012, for 7 years in the payment amount of \$745,260.

Capital Metro issued Sales and Use Tax Revenue Contractual Obligations Series 2012 dated February 2012 with Compass Mortgage Corporation for \$20,000,000 with an interest rate of 2.15 percent, with principal payments due annually beginning April 2013. Interest is due semiannually on April 1 and October 1 of each year until maturity or prior redemption beginning October 1, 2012. This Contractual Obligation Series was issued for the purposes of acquiring replacement buses.

The following table and chart show payments for principal and interest that are due in FY2018 and beyond.

Yearly Service Requirements	Master Lease Financing Agreement		Long Term Financing/Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$2,917,311	\$63,727	\$2,020,000	\$205,110	\$4,937,311	\$268,837
2019	740,668	4,592	2,065,000	161,196	2,805,668	165,788
2020	-	-	2,110,000	116,315	2,110,000	116,315
2021	-	-	2,155,000	70,466	2,155,000	70,466
2022	-	-	2,200,000	23,650	2,200,000	23,650
Total	\$3,657,979	\$68,319	\$10,550,000	\$576,737	\$14,207,979	\$645,056





**Summary of Department Expenses**

	<b>FY 2016 ACTUAL</b>	<b>FY 2017 BUDGET</b>	<b>FY 2017 FORECAST</b>	<b>FY 2018 BUDGET</b>	<b>FY 2018 v. FY 2017 (\$)</b>	<b>FY 2018 v. FY 2017 (%)</b>
Board of Directors Support	\$ 238,376	\$ 302,884	\$ 277,219	\$ 313,778	\$ 10,894	3.6%
Build Greater Austin	122	0	0	0	0	0.0%
Bus and Paratransit Services	3,669,425	3,913,803	3,822,159	3,870,711	(43,092)	(1.1%)
Bus Contract Operations	112,535,301	122,571,086	113,237,969	122,050,227	(520,859)	(0.4%)
Business Center	340,357	353,964	332,472	357,168	3,204	0.9%
Capital Projects	2,598,014	2,097,243	1,835,130	2,219,131	121,888	5.8%
Central Corridor Development	440,937	1,558,000	1,117,063	2,079,333	521,333	33.5%
Child Care Center	778,137	832,450	832,450	861,775	29,325	3.5%
Communications	728,699	768,822	700,633	688,189	(80,633)	(10.5%)
Community Involvement	929,848	1,296,634	891,493	986,232	(310,402)	(23.9%)
Customer Service	1,261,574	1,674,678	1,308,245	1,456,767	(217,911)	(13.0%)
Executive Staff	715,776	872,659	872,659	852,048	(20,611)	(2.4%)
Finance	4,941,341	3,988,658	3,879,301	6,166,521	2,177,863	54.6%
Government Relations and Compliance	972,233	1,237,379	1,305,057	1,219,876	(17,503)	(1.4%)
Human Resources	1,373,211	1,725,099	1,718,731	1,958,116	233,017	13.5%
Information Technology	8,460,437	9,112,232	8,991,811	10,401,251	1,289,019	14.1%
Internal Audit	269,846	414,469	265,589	351,017	(63,452)	(15.3%)
Legal	1,033,079	1,135,351	1,139,499	953,138	(182,213)	(16.0%)
Marketing	4,007,780	3,756,595	3,095,436	3,243,133	(513,462)	(13.7%)
Mobility Interlocal Agreements	0	15,867,000	6,626,444	12,052,701	(3,814,299)	(24.0%)
Non-Allocated Employee Benefits	11,193,411	10,268,445	10,781,508	11,795,661	1,527,216	14.9%
Paratransit Administration	282,944	359,812	348,348	358,550	(1,262)	(0.4%)
Paratransit Contract Operations	28,037,441	30,565,018	29,064,707	30,465,529	(99,489)	(0.3%)
Paratransit Eligibility	897,304	946,537	914,517	930,716	(15,821)	(1.7%)
Paratransit Reservations and Control Center	1,562,300	1,804,043	1,701,724	1,833,730	29,687	1.6%
Procurement	1,179,520	1,312,301	1,268,418	1,380,484	68,183	5.2%
Property and Asset Management	1,546,361	1,874,264	1,753,764	1,887,014	12,750	0.7%
Public Facilities	4,078,131	4,953,101	4,445,063	4,676,479	(276,622)	(5.6%)
Rail Commuter Operations	18,487,131	19,915,539	17,475,228	17,636,458	(2,279,081)	(11.4%)
Rail Compliance	0	0	0	672,432	672,432	100.0%
Rail Freight Management	391,701	1,521,485	1,444,211	1,794,328	272,843	17.9%
Real Estate and Facility Planning	3,481,555	3,653,769	3,130,786	3,237,402	(416,367)	(11.4%)
RideShare	2,076,197	2,740,241	2,404,233	2,777,546	37,305	1.4%
Risk Management and Safety	1,272,534	2,171,747	2,180,261	2,109,515	(62,232)	(2.9%)
Security	3,850,192	4,001,731	3,862,425	4,362,031	360,300	9.0%
Strategic Operations Management	670,009	788,376	781,735	798,570	10,194	1.3%
Strategic Planning and Development	3,131,485	3,508,215	3,204,901	3,317,476	(190,739)	(5.4%)
Wellness Center	284,412	276,375	277,375	277,375	1,000	0.4%
<b>CMTA Total</b>	<b>\$227,717,121</b>	<b>\$264,140,005</b>	<b>\$237,288,564</b>	<b>\$262,392,408</b>	<b>(\$1,747,597)</b>	<b>(0.7%)</b>

## **Service Overview**

### **MetroBus**

MetroBus fixed route service is the mainline service of Capital Metro's transit system. Capital Metro operates 61 MetroBus routes, including local and cross-town routes. The transit authority operates approximately 11.5 million total bus miles over its fixed route system. The fleet of buses provided riders with an average of 68,559 weekday boardings in FY2016. Capital Metro's 361 buses operate 7 days a week, providing service to over 1 million residents of the service area.

### **MetroRapid**

MetroRapid is a fixed-route service. In January 2014, the first service began operation along North Lamar/South Congress (Route 801). The second service, Burnet/South Lamar (Route 803), began in August 2014. MetroRapid brings together a set of unique features to result in faster, more convenient service for the community. Some of the features include frequent service, limited stops, boarding from all doors, unique and upgraded stops with real-time arrival information and vehicles equipped with signal priority technology. The fleet of 40 buses carried over 2.7 million riders in its third year of operation. The average weekday boardings were 8,923 in FY2016.

### **MetroExpress**

MetroExpress service is a limited-stop service to and from the University of Texas, Capitol complex, downtown and Park & Rides. There are 7 routes that service North and Northwest Austin as well as the cities of Leander and Manor. The average weekday boardings were 2,048 in FY2016.

### **MetroAccess**

The MetroAccess paratransit program is for people who have a disability or medical condition that limits or prevents them from independently using accessible bus service some or all of the time as defined in the Americans with Disabilities Act. People certified by Capital Metro under this program may ride MetroAccess within ¾ miles of Capital Metro's non-commuter fixed-route bus service on the same days and during the same hours as the fixed-route service in their area. The average weekday boardings were 2,160 in FY2016.

### **University of Texas Shuttle**

Student shuttle service is provided in partnership with the University of Texas. There are 13 routes that provide connections between housing and the downtown campus. Routes move students between the greater UT campus area and areas with high-density student populations. Each year, Capital Metro operates approximately 1.2 million total bus miles over the UT shuttle system. The average weekday boardings were 15,596 in FY2016.

### **MetroRideShare Program**

The MetroRideShare program provides eligible groups of 5-12 people with a month-to-month lease agreement of a passenger van that includes insurance, maintenance, 24-hour roadside assistance, administrative support and fuel purchasing program. The cost of a MetroRideShare vanpool varies and is based on van selection, commute distance and number of riders sharing the monthly fare, plus fuel and tolls. The average weekday boardings were 1,184 in FY2016.



### **Suburban Service**

Capital Metro provides service to suburban communities within the service area such as Jonestown, Manor and Del Valle. Additional interest has been expressed by these and other communities within the Capital Metro service area. In addition, Capital Metro is working with jurisdictions outside the service area, including Georgetown, Round Rock, Pflugerville, Hutto and Buda to help them plan and develop transit services. Georgetown and Round Rock will begin to receive transit services in August 2017. Round Rock's will be provided by Capital Metro and Georgetown's by CARTS. Capital Metro has partnered with these cities to provide transit service through interlocal agreements where the cities reimburse Capital Metro directly for the cost of service to their communities.

### **MetroRail**

The MetroRail Red Line runs on 32 miles of existing tracks between downtown Austin and Leander. The Red Line provides convenient service for suburban and Central Austin residents. Service is provided 6 days per week with increased service levels for special events. Several projects are currently underway to substantially increase the level of MetroRail service in the next few years, with the potential to double capacity with 2 additional trains, track and signal work, as well as expanded Park & Ride facilities in several locations. The average weekday boardings were 2,837 in FY2016.

### Ridership

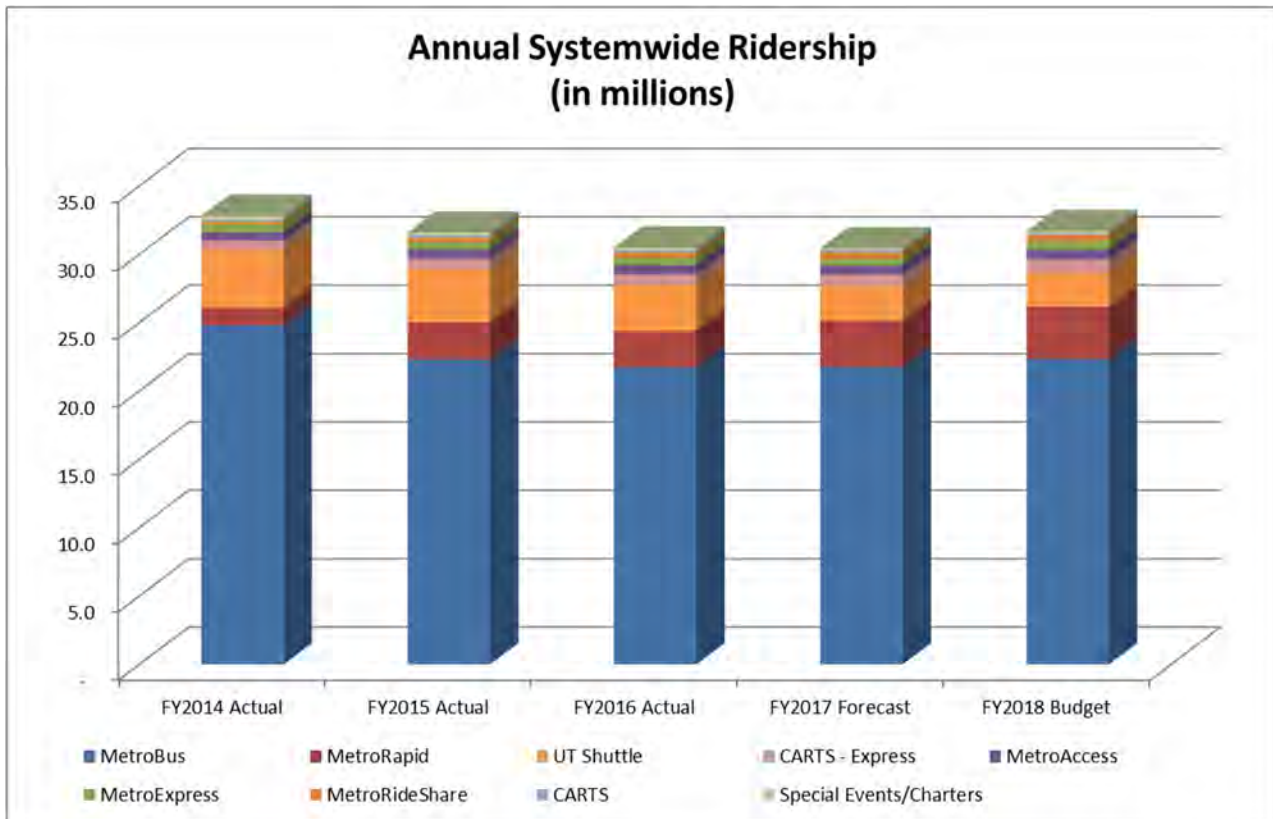
The table below reflects ridership by mode of service.

Mode of Service	FY2016 Actual	FY2017 Budget	FY2017 Forecast	FY2018 Budget	Var FY2018 vs. FY2017	Var % FY2018 vs. FY2017
MetroBus <sup>(1)</sup>	21,705,121	21,573,809	21,726,132	22,355,229	781,420	3.6%
MetroRapid <sup>(1)</sup>	2,712,656	2,707,661	3,410,108	3,788,268	1,080,607	39.9%
MetroExpress <sup>(1)</sup>	520,243	523,914	511,723	614,502	90,588	17.3%
MetroAccess <sup>(2)</sup>	672,825	733,219	668,706	707,417	(25,802)	-3.5%
UT Shuttle <sup>(2)</sup>	3,297,794	3,375,853	2,523,350	2,485,120	(890,733)	-26.4%
MetroRideShare <sup>(2)</sup>	432,537	513,638	476,850	485,294	(28,344)	-5.5%
Capital Area Rural Transportation System (CARTS) <sup>(3)</sup>	96,317	112,979	85,394	59,889	(53,090)	-47.0%
Capital Area Rural Transportation System (CARTS) - Express	21,227	23,244	21,482	21,482	(1,762)	-7.6%
MetroRail <sup>(1)</sup>	807,816	816,526	839,016	980,785	164,259	20.1%
Special Events/Charters <sup>(2)</sup>	215,850	184,900	159,516	182,040	(2,860)	-1.5%
<b>Total</b>	<b>30,482,386</b>	<b>30,565,742</b>	<b>30,422,277</b>	<b>31,680,026</b>	<b>1,114,284</b>	<b>3.6%</b>

(1) - Increase in ridership as a part of the Connections 2025 service plan implementation.

(2) - Decrease in ridership based on anticipated service demand.

(3) - Decrease in ridership based on service hours moving to MetroBus.





### Vehicle Hours of Service

The table below reflects vehicle hours of service by mode.

Mode of Service	FY2016 Actual	FY2017 Budget	FY2017 Forecast	FY2018 Budget	Var FY2018 vs. FY2017	Var % FY2018 vs. FY2017
MetroBus <sup>(1)</sup>	1,003,048	1,018,160	1,018,160	1,074,150	55,990	5.5%
MetroRapid <sup>(2)</sup>	163,014	168,984	168,984	207,021	38,037	22.5%
MetroExpress <sup>(3)</sup>	52,692	71,159	71,159	68,298	(2,861)	-4.0%
MetroAccess	469,508	479,977	474,264	480,348	371	0.1%
UT Shuttle	107,853	105,885	106,598	105,120	(765)	-0.7%
MetroRideShare <sup>(4)</sup>	86,698	139,770	102,504	118,861	(20,909)	-15.0%
Capital Area Rural Transportation System (CARTS) <sup>(5)</sup>	23,797	36,569	36,569	21,516	(15,053)	-41.2%
Capital Area Rural Transportation System (CARTS) - Express	2,545	2,989	2,989	2,091	(898)	-30.0%
MetroRail <sup>(6)</sup>	14,749	21,524	19,524	24,601	3,077	14.3%
Special Events/Charters <sup>(4)</sup>	6,685	11,095	6,034	9,170	(1,925)	-17.4%
<b>Total</b>	<b>1,930,589</b>	<b>2,056,112</b>	<b>2,006,785</b>	<b>2,111,176</b>	<b>55,064</b>	<b>2.7%</b>

(1) - Includes a series of route and schedule adjustments that will be made during June 2018 as a part of Connections 2025. Frequency of service for several routes will improve dramatically on Weekdays, Saturdays and Sundays.

(2) - Service expansion that includes increased frequency of service to 10 minutes on weekdays and 15 minutes on weekends. Longer service hours will also be provided Thursday through Sunday. This service expansion will begin in August of 2017.

(3) - Modifications to existing system (980s) and inclusion of new 980 Howard Express in preparation of MoPac Express lanes. This was previously included in the FY 2017 budget but was deferred due to project delays and is anticipated to begin in Fall 2017.

(4) - Decrease in hours based on anticipated service demand.

(5) - Decrease in hours due to potential addition of South Express service in cooperation with the City of Buda and the City of Kyle not expected to occur until FY 2019.

(6) - Increase in hours due to service expansion with the use of additional railcars beginning in Fall 2017. Weekday peak service improvements using additional railcars and Saturday service extension between Lakeline and Leander stations.





### Vehicle Miles of Service

The table below reflects vehicle miles of service by mode.

Mode of Service	FY2016 Actual	FY2017 Budget	FY2017 Forecast	FY2018 Budget	Var FY2018 vs. FY2017	Var % FY2018 vs. FY2017
MetroBus <sup>(1)</sup>	12,236,034	12,426,261	12,426,261	13,123,516	697,255	5.6%
MetroRapid <sup>(2)</sup>	2,090,667	2,169,435	2,169,435	2,730,488	561,053	25.9%
MetroExpress <sup>(3)</sup>	1,078,319	1,603,958	1,603,958	1,476,702	(127,256)	-7.9%
MetroAccess	6,150,926	6,584,124	6,476,370	6,659,712	75,588	1.1%
UT Shuttle <sup>(4)</sup>	1,367,691	1,333,174	1,341,938	1,228,677	(104,497)	-7.8%
MetroRideShare	3,109,432	4,223,455	3,789,942	4,410,371	186,916	4.4%
Capital Area Rural Transportation System (CARTS) <sup>(5)</sup>	424,019	715,259	715,259	396,953	(318,306)	-44.5%
Capital Area Rural Transportation System (CARTS) - Express	61,242	71,402	71,402	40,154	(31,248)	-43.8%
MetroRail <sup>(6)</sup>	337,720	403,089	366,389	485,353	82,264	20.4%
Special Events/Charters <sup>(7)</sup>	68,552	92,653	56,645	82,585	(10,068)	-10.9%
<b>Total</b>	<b>26,924,602</b>	<b>29,622,810</b>	<b>29,017,599</b>	<b>30,634,511</b>	<b>1,011,701</b>	<b>3.4%</b>

(1) - Includes a series of route and schedule adjustments that will be made during June 2018 as a part of Connections 2025. Frequency of service for several routes will improve dramatically on Weekdays, Saturdays and Sundays.

(2) - Service expansion that includes increased frequency of service to 10 minutes on weekdays and 15 minutes on weekends. Longer service hours will also be provided Thursday through Sunday. This service expansion will begin in August of 2017.

(3) - Modifications to existing system (980s) and inclusion of new 980 Howard Express in preparation of MoPac Express lanes. This was previously included in the FY 2017 budget but was deferred due to project delays and is anticipated to begin in Fall 2017.

(4) - Decrease in miles primarily due to minor schedule adjustments in coordination with Connections 2025 implementation due to begin June 2018.

(5) - Decrease in miles due to potential addition of South Express service in cooperation with the City of Buda and the City of Kyle not expected to occur until FY 2019.

(6) - Increase in miles due to service expansion with the use of additional railcars beginning in Fall 2017. Weekday peak service improvements using additional railcars and Saturday service extension between Lakeline and Leander stations.

(7) - Decrease in miles based on anticipated service demand.

### Performance Trends

The graphs below depict trends for MetroBus, MetroAccess and MetroRail in service, cost effectiveness and efficiency for the preceding 3 years actual compared to the FY2017 and FY2018 budgets.

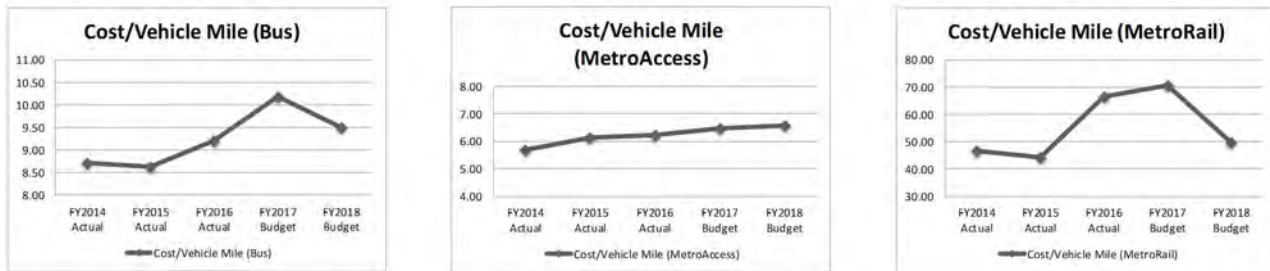
#### Service Efficiency

The graph below reflects the cost per passenger for MetroBus, MetroAccess and MetroRail.



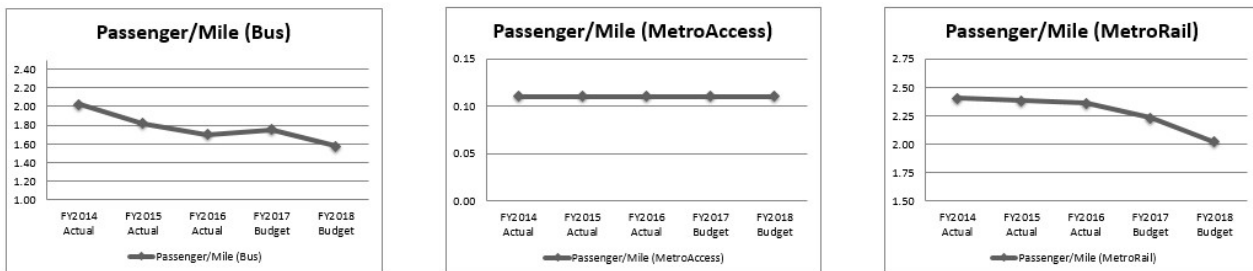
#### Cost Effectiveness

The graph below reflects the cost per vehicle mile for MetroBus, MetroAccess and MetroRail.



#### Service Effectiveness

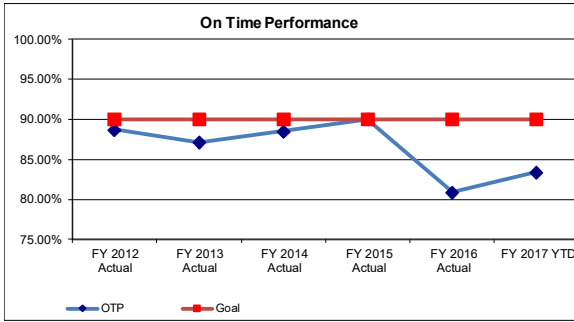
The graph below reflects the passenger trips per vehicle mile for MetroBus, MetroAccess and MetroRail.



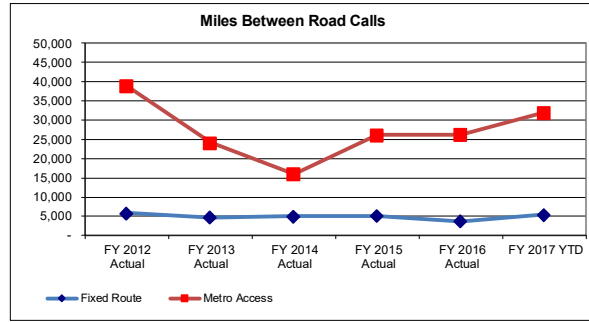
**Operational Performance Indicators**

The following graphs depict trends in additional performance indicators. On-time performance is for all fixed-route services. Accidents and road calls represent fixed route and paratransit combined.

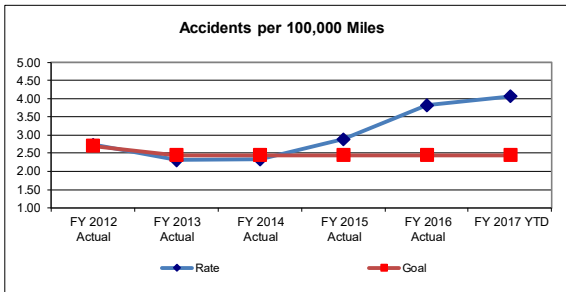
The graph below reflects actual on-time performance for MetroBus. FY 2017 actual YTD represents October 1, 2016 through March 31, 2017.



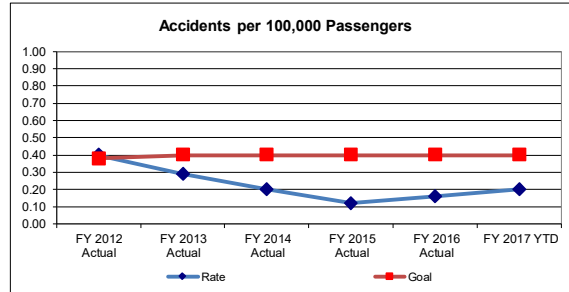
The graph below reflects actual miles between road calls for Fixed Route and MetroAccess. FY 2017 actual YTD represents October 1, 2016 through March 31, 2017.



The graph below reflects actual accidents per 100,000 miles for MetroBus. FY 2017 actual YTD represents October 1, 2016 through March 31, 2017.



The graph below reflects actual accidents per 100,000 passengers for MetroBus. FY 2017 actual YTD represents October 1, 2016 through March 31, 2017.



## Capital Budget

Consistent with Texas State Senate Bill 650, Capital Metro prepared a five-year Capital Improvement Plan (CIP) for capital projects that supports its strategic goals. The CIP is updated annually and addresses replacement and expansionary requirements for public transportation service in Central Texas. The five-year CIP describes each planned project, including project type, estimated funding sources and anticipated impact on operational costs.

In FY2011, the board approved the Capital Improvement Program Policy, which guides funding decisions during the budget review process and subsequent reporting of progress on individual projects. Capital Metro's planning process typically covers a five-year period, but extends longer into the future when a major service plan update is undertaken every five years. The Capital Improvement Program policy addresses several areas, including project financing, project monitoring and criteria for prioritization of projects. The projects included in the five-year CIP were selected based upon board-approved criteria regarding project priorities. These criteria are outlined in the policy and include:

- Customer Experience – Providing innovations that improve the individual experience of Capital Metro riders, that make the use of Capital Metro services easier and more convenient and that enhance the reliability of Capital Metro services from a customer perspective.
- Environmental/Quality of Life Impact – Investing in equipment, adapting facilities or enhancing service infrastructure to support overall environmental/quality of life benefits such as improved air quality.
- Health and Safety – Ensuring the physical well-being of customers, employees and the public.
- Mandates – Ensuring compliance with federal and state mandates, such as the Americans with Disabilities Act.
- Regional Economic Development – Investing in projects that enhance the general economic development of the region, including improvements to the transportation infrastructure, the development of new and expanded business opportunities and job creation.
- Ridership – Maintaining current riders and attracting new customers.
- State of Good Repair – Maintaining the current “core business” through investments in projects that are necessary to operate the existing infrastructure or add an additional dimension/mode to existing systems and including adherence to maintenance and replacement cycles.
- Technologies/Efficiencies – Instituting improvements that can produce quantifiable operating efficiencies and make better use of resources or implementing projects that minimize additional operating expenses.
- Transit-Oriented Development – Investing in projects that stimulate the development of current property with opportunities for private investment, increased revenue and ridership and encouraging partnerships with other organizations.

Capital acquisitions represent the purchase of equipment and other assets in excess of \$5,000 and which have a useful life greater than 1 year. Capital expenditures involve new projects, new purchases of parts or replacements, computers and office equipment.



Capital projects typically include construction, fleet acquisition or technology projects that are developmental in nature and span more than 1 fiscal year. Capital projects are typically more complex, and involve 2 or more components of cost (equipment, labor, professional services).

Capital Metro anticipates grant funding of \$35.7 million in FY2018 for projects that meet eligibility requirements. Other capital contributions of \$2.8 million are also anticipated and are funded by reimbursements from the TxDOT for work completed along Capital Metro's commuter and freight rail line, the city of Austin for storm water improvements at Downtown Station, the developer of the MetroRail Kramer Station relocation and the city of Leander for commuter rail corridor quiet zones.

The approved capital budget for FY2018 and the five-year CIP are included in Appendix A. Project summaries, funding sources, benefits and the applicable strategic goals and objectives for each capital project summary are provided. When a planned project summary will have an impact on operating costs, the estimated impact is identified.



**FY2018 Capital Projects**

Project Name	FY2018 Approved Budget
<b>Facilities and Real Estate</b>	
Facility Enhancements	153,000
Facility State of Good Repair	2,319,000
Real Estate	2,000,000
<b>Facilities and Real Estate Total</b>	<b>4,472,000</b>
<b>Information Technology Systems and Infrastructure</b>	
Information Technology - Enterprise Systems	2,335,209
Information Technology - Infrastructure	2,587,456
Information Technology - Transit Systems	5,553,378
<b>Information Technology Systems and Infrastructure Total</b>	<b>10,476,043</b>
<b>Infrastructure Development</b>	
Bus Stop Amenities	2,284,979
Bus Stops - New	7,683,870
Downtown Station	15,460,000
Facility Enhancements	2,551,075
Park & Ride Enhancements	4,259,050
Rapid Buses - Technology Improvements	204,239
Leasehold Improvements	683,425
Tiger V Grant Project	18,700,000
<b>Infrastructure Development Total</b>	<b>51,826,638</b>
<b>Railroad Commuter</b>	
Railroad Commuter Enhancements	6,093,750
Railroad Commuter Regulatory	40,648,000
Railroad Commuter State of Good Repair	8,063,150
<b>Railroad Commuter Total</b>	<b>54,804,900</b>
<b>Railroad Freight</b>	
Railroad Freight Enhancements	1,000,000
Railroad Freight State of Good Repair	2,895,000
<b>Railroad Freight Total</b>	<b>3,895,000</b>



Project Name	FY2018 Approved Budget
<b>Security</b>	
Security Equipment and Enhancements	1,045,170
<b>Security Total</b>	<b>1,045,170</b>
<b>Strategic Planning</b>	
I-35 Corridor	3,600,000
MetroRail Red Line Kramer Station Relocation	600,000
Transit Priority and Right of Way	1,000,000
<b>Strategic Planning Total</b>	<b>5,200,000</b>
<b>Vehicles</b>	
Bus Fleet	11,685,000
Fleet System Enhancements	900,000
Non-Revenue Fleet	220,000
Paratransit Fleet	2,316,000
<b>Vehicles Total</b>	<b>15,121,000</b>
Capital Project Contingency	2,000,000
Capital Project FY2017 Carry Forward	2,662,162
<b>Grand Total</b>	<b>\$ 151,502,913</b>

## **Long Range Financial Plan Fiscal Years 2018 to 2027**

### **Long Range Financial Plan Overview**

The Long Range Financial Plan (LRFP) is a 10-year plan for the Capital Metropolitan Transportation Authority that forecasts the Authority's financial resources and projected expenditures based on planned levels of service and the strategic goals of Capital Metro.

The LRFP focuses primarily on the forecast of future revenue and the operating and capital expenditures of the agency. The LRFP analyzes future expenditure trends with emphasis on the agency's negotiated purchased-transportation contracts, administrative wages and benefits, outside services, state of good repair needs and capital priorities. Capital Metro's Strategic Plan identifies the vision, mission and goals for the next six years. The LRFP was developed using the adopted strategic goals as guidelines, including:

- Deliver the best possible customer experience that meets customer needs and results in satisfied customers.
- Increase ridership through being the trusted partner in regional and policy planning and the leader in public transit.
- Demonstrate the value of public transportation in a dynamic community.
- Recruit, acquire, retain, develop, motivate and reward a high-performing and top quality work force.
- Exhibit good stewardship of public funds.

The Long Range Financial Plan includes assumptions about service levels, cost increases from our purchased transportation contractors, vendors, fuel pricing and revenue generated by sales tax and our other revenue sources. During the next 10 years, Capital Metro will undergo numerous changes, both in what services are offered and in the manner they are provided. There will be changes and upgrades in technology, many of which cannot be fully envisioned today.

Based on assumed growth in sales tax revenues, expected cost of Capital Metro's service and other expenditures, the LRFP reflects the following key findings:

- Sales tax revenue is projected to continue to grow modestly reflecting less-rapid growth in the overall Austin area economy and the continued trend of population and retail growth moving outside the Capital Metro service area.
- With revenue growth slowing, the agency should proceed with caution before committing to future spending. Funding is available for implementing the first phase of our Connections 2025 service plan in June 2018, which will add \$10 million in additional service costs each year when fully implemented. The agency should maintain that service level until surpluses are sustainable on a recurring basis and can fund new ongoing operational costs.
- Service provider contracts, which represent the greatest component of operating expenses, are expected to increase but need to be renewed with inflation-related escalation.
- Administrative personnel and benefit costs will need to be contained. Wage and benefit growth, as well as additional employee hiring, should be tied to revenue growth.
- The agency has accumulated funding for capital projects in recent years that funds the Fiscal Year 2018 Capital Budget of \$151 million. Once these projects are completed and the funds are spent, future capital spending will need to be funded by ongoing annual cash flow. The majority of available capital spending will address the ongoing state of good repair of our assets at an estimated \$36 million per year required from 2019 to 2027. Most facilities are at maximum capacity and only the replacement of the paratransit facility is included in the current LRFP.



### Long Range Financial Plan Scenarios

The agency has developed a 10-year flexible financial modeling tool, which can model various financial and service-level scenarios and allows Capital Metro to:

- Build a fiscally sound agency through long-term financial planning.
- Expand awareness of options, potential barriers and opportunities.
- Improve long-term financial sustainability as required through the Strategic Plan.
- Balance competing demands for new and enhanced service, capital funding decisions, staffing and financial reserves.
- Establish a baseline projection for revenue, expenditures and fund balances.
- Take a proactive approach by assessing financial implications of current and proposed strategic decisions and priorities.

Any major budget decision impacting the agency's budget can be modeled with the 10-year modeling tool, showing the financial impact on the proposed budget and the 10-year forecast. The Long Range Financial Plan is comprised of a baseline 10-year projection of revenue and expenditures used to evaluate Capital Metro's future financial condition and capacity to fund existing and future commitments. The growth assumptions in the scenarios are based primarily on historical growth, projected inflation and existing contractual obligations. A Baseline scenario is a starting point, or basis to compare against other alternatives or scenarios. Three additional scenarios were modeled: an Aggressive scenario, a Recession scenario and the Proposed LRFP.

#### 1. Baseline Scenario

The Baseline scenario for the next 10 years is built using current conditions and commitments and shows modest growth in sales tax revenue, which is consistent with recent trends, and no fare revenue increases during the 10-year period. Additional levels of service are included for implementing phase one of the proposed Connections 2025 service plan for Fiscal Years 2018 and 2019, but no additional service hours are included beyond 2019. Moderate increases are included for purchased transportation contractor rates, fuel costs and administrative employee wages and benefits. This plan is achievable in the short term but unsustainable in the long term due to unfunded capital needs and net cash flow erosion, caused by operating expenses growing at a higher rate than revenue.

Dollars in Millions	Baseline Scenario									
	Budget		Intermediate-Term Forecast			Long-Term Forecast				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Cash &amp; Investments Beginning Balance</b>	196	112	67	58	77	80	53	45	2	(15)
Revenues (excl Capital Grant Rev)	297	301	308	314	319	324	330	335	341	347
Operating Expenses	(250)	(259)	(268)	(277)	(286)	(296)	(306)	(316)	(327)	(335)
Interlocal Agreements	(12)	(5)	(9)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Principal Payments	(5)	(3)	(2)	(2)	(2)	0	0	0	0	0
<b>Cash Flow Available for CIP</b>	<b>30</b>	<b>34</b>	<b>29</b>	<b>32</b>	<b>29</b>	<b>28</b>	<b>23</b>	<b>19</b>	<b>14</b>	<b>11</b>
Capital Projects	(152)	(106)	(56)	(26)	(36)	(64)	(40)	(71)	(40)	(52)
Capital Grant Rev	38	26	17	14	9	9	9	9	9	9
<b>Capital - self funded</b>	<b>(113)</b>	<b>(79)</b>	<b>(39)</b>	<b>(13)</b>	<b>(27)</b>	<b>(54)</b>	<b>(31)</b>	<b>(61)</b>	<b>(30)</b>	<b>(43)</b>
<b>Annual Cash Flow</b>	<b>(83)</b>	<b>(45)</b>	<b>(9)</b>	<b>20</b>	<b>3</b>	<b>(27)</b>	<b>(8)</b>	<b>(43)</b>	<b>(17)</b>	<b>(32)</b>
<b>Cash &amp; Investments Ending Balance</b>	<b>112</b>	<b>67</b>	<b>58</b>	<b>77</b>	<b>80</b>	<b>53</b>	<b>45</b>	<b>2</b>	<b>(15)</b>	<b>(46)</b>
<b>Commitments &amp; Reserve Requirements</b>	<b>112</b>	<b>68</b>	<b>64</b>	<b>67</b>	<b>72</b>	<b>75</b>	<b>78</b>	<b>81</b>	<b>83</b>	<b>85</b>
<b>Surplus Cash/(Shortage)</b>	<b>0</b>	<b>(1)</b>	<b>(6)</b>	<b>10</b>	<b>8</b>	<b>(22)</b>	<b>(33)</b>	<b>(78)</b>	<b>(98)</b>	<b>(132)</b>

## 2. Aggressive Scenario

The Aggressive scenario for the next 10 years is built using current conditions and commitments but shows improved revenue growth in order to demonstrate the funding that would be available under improved economic conditions. Sales tax revenue is modeled to increase to 4 percent annual growth beginning in Fiscal Year 2019, along with 6 percent fare revenue increases every 3 years beginning in Fiscal Year 2020. Additional levels of service are included for implementing phase one of the proposed Connections 2025 service plan for Fiscal Years 2018 and 2019, but no additional service hours are included beyond 2019. Moderate increases are included for purchased transportation contractor rates, fuel costs and administrative employee wages and benefits. This scenario provides a potential to fund an additional \$60 million over 5 years or \$121 million over 10 years for service expansion and capital infrastructure improvements.

<b>Aggressive Scenario</b>										
	Budget	Intermediate-Term Forecast				Long-Term Forecast				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
<i>Dollars in Thousands</i>										
<b>Cash &amp; Investments Beginning Balance</b>	196	112	72	73	108	132	132	158	155	185
Revenues (excl Capital Grant Rev)	297	306	319	329	340	352	364	376	390	403
Operating Expenses	(250)	(259)	(268)	(277)	(286)	(296)	(307)	(317)	(328)	(338)
Interlocal Agreements	(12)	(5)	(9)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Principal Payments	(5)	(3)	(2)	(2)	(2)	0	0	0	0	0
<b>Cash Flow Available for CIP</b>	<b>30</b>	<b>39</b>	<b>40</b>	<b>48</b>	<b>51</b>	<b>55</b>	<b>57</b>	<b>58</b>	<b>61</b>	<b>65</b>
Capital Projects	(152)	(106)	(56)	(26)	(36)	(64)	(40)	(71)	(40)	(52)
Capital Grant Rev	38	26	17	14	9	9	9	9	9	9
<b>Capital - self funded</b>	<b>(113)</b>	<b>(79)</b>	<b>(39)</b>	<b>(13)</b>	<b>(27)</b>	<b>(54)</b>	<b>(31)</b>	<b>(61)</b>	<b>(30)</b>	<b>(43)</b>
<b>Annual Cash Flow</b>	<b>(83)</b>	<b>(40)</b>	<b>1</b>	<b>35</b>	<b>24</b>	<b>1</b>	<b>25</b>	<b>(3)</b>	<b>30</b>	<b>22</b>
<b>Cash &amp; Investments Ending Balance</b>	<b>112</b>	<b>72</b>	<b>73</b>	<b>108</b>	<b>132</b>	<b>132</b>	<b>158</b>	<b>155</b>	<b>185</b>	<b>207</b>
<b>Commitments &amp; Reserves</b>	<b>112</b>	<b>68</b>	<b>64</b>	<b>67</b>	<b>72</b>	<b>75</b>	<b>78</b>	<b>81</b>	<b>84</b>	<b>86</b>
<b>Surplus Cash/(Shortage)</b>	<b>0</b>	<b>4</b>	<b>9</b>	<b>41</b>	<b>60</b>	<b>57</b>	<b>80</b>	<b>74</b>	<b>101</b>	<b>121</b>

## 3. Recession Scenario

The Recession scenario demonstrates how the agency could potentially fare in a recession. The assumptions are consistent with current conditions and commitments but show a mild recessionary period of three years in Fiscal Years 2019 to 2021. Sales tax revenue is projected to decline by 4 percent in Fiscal Year 2019 and then gradually rise before leveling off in Fiscal Year 2025 to 2 percent growth. No fare revenue increases are planned during the 10-year period for this scenario. Additional levels of service are included for implementing phase one of the proposed Connections 2025 service plan for Fiscal Years 2018 and 2019, but no additional service hours are included beyond 2019. Costs were further reduced for purchased transportation contractor rates, capital expenditures, benefit costs, as well as short-term hiring and wage freezes for administrative employees. This scenario shows that Capital Metro has built enough reserve funds to cover a short-term recessionary event but would need to defer capital expenditures or borrow additional funds in years 6 to 10.



### Recession Scenario

<i>Dollars in Millions</i>	Intermediate-Term Forecast					Long-Term Forecast				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Cash &amp; Investments Beginning Balance</b>	196	112	54	34	53	64	53	66	47	56
Revenues (excl Capital Grant Rev)	297	287	294	308	321	331	339	345	351	357
Operating Expenses	(250)	(258)	(265)	(272)	(279)	(287)	(295)	(302)	(311)	(318)
Interlocal Agreements	(12)	(5)	(9)	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Loan Principal Payments	(5)	(3)	(2)	(2)	(2)	0	0	0	0	0
<b>Cash Flow Available for CIP</b>	<b>30</b>	<b>22</b>	<b>18</b>	<b>32</b>	<b>38</b>	<b>43</b>	<b>44</b>	<b>42</b>	<b>40</b>	<b>38</b>
Capital Projects	(152)	(106)	(56)	(26)	(36)	(64)	(40)	(71)	(40)	(52)
Capital Grant Rev	38	26	17	14	9	9	9	9	9	9
Capital - self funded	(113)	(79)	(39)	(13)	(27)	(54)	(31)	(61)	(30)	(43)
<b>Annual Cash Flow</b>	<b>(83)</b>	<b>(58)</b>	<b>(21)</b>	<b>19</b>	<b>11</b>	<b>(11)</b>	<b>13</b>	<b>(20)</b>	<b>9</b>	<b>(5)</b>
<b>Cash &amp; Investments Ending Balance</b>	<b>112</b>	<b>54</b>	<b>34</b>	<b>53</b>	<b>64</b>	<b>53</b>	<b>66</b>	<b>47</b>	<b>56</b>	<b>51</b>
<b>Commitments &amp; Reserve Requirements</b>	<b>112</b>	<b>67</b>	<b>64</b>	<b>67</b>	<b>71</b>	<b>73</b>	<b>75</b>	<b>77</b>	<b>79</b>	<b>81</b>
<b>Surplus Cash/(Shortage)</b>	<b>0</b>	<b>(13)</b>	<b>(30)</b>	<b>(13)</b>	<b>(6)</b>	<b>(20)</b>	<b>(9)</b>	<b>(31)</b>	<b>(23)</b>	<b>(31)</b>

#### 4. The Proposed Plan

The Proposed plan is a scenario that demonstrates that the budget can be balanced over the next 10 years for financial sustainability by aligning cost growth with revenue growth. The scenario is based on current conditions and commitments and shows 2.1 percent annual growth in sales tax revenue beginning in Fiscal Year 2019. In the event that sales tax growth is below that, periodic fare increases should be considered to keep pace with inflation. Additional levels of service are included for implementing phase one of the proposed Connections 2025 service plan for Fiscal Years 2018 and 2019, but no additional service hours are included beyond 2019. Moderate increases of 2 percent are included for purchased transportation contractor rates and fuel costs. Additional containment of administrative employee headcount, wages and benefits is built into the scenario until sales tax growth escalates. While the agency will generate sufficient cash flow, due to significant capital needs in Fiscal Years 2025 to 2027, it is estimated that \$42 million will be financed by debt. This scenario correlates operating and capital expenditures to sales tax growth and provides the ability to increase spending after higher sustained sales tax growth is obtained.

### Proposed Plan

<i>Dollars in Millions</i>	Budget	Intermediate-Term Forecast					Long-Term Forecast				
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	
<b>Cash &amp; Investments Beginning Balance</b>	196	112	68	62	87	96	79	84	78	78	
Revenues (excl Capital Grant Rev)	297	302	309	314	320	326	331	337	343	349	
Operating Expenses	(250)	(259)	(265)	(273)	(280)	(287)	(295)	(302)	(310)	(317)	
Interlocal Agreements	(12)	(5)	(9)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	
Loan Principal Payments	(5)	(3)	(2)	(2)	(2)	0	0	(2)	(2)	(4)	
<b>Cash Flow Available for CIP</b>	<b>30</b>	<b>35</b>	<b>32</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>36</b>	<b>32</b>	<b>30</b>	<b>27</b>	
Capital Projects	(152)	(106)	(56)	(26)	(36)	(64)	(40)	(71)	(40)	(52)	
Capital Grant Rev	38	26	17	14	9	9	9	9	9	9	
Capital - self funded	(113)	(79)	(39)	(13)	(27)	(54)	(31)	(61)	(30)	(43)	
<b>Annual Cash Flow</b>	<b>(83)</b>	<b>(44)</b>	<b>(6)</b>	<b>25</b>	<b>10</b>	<b>(17)</b>	<b>5</b>	<b>(29)</b>	<b>0</b>	<b>(16)</b>	
Loan Proceeds								23		19	
<b>Cash &amp; Investments Ending Balance</b>	<b>112</b>	<b>68</b>	<b>62</b>	<b>87</b>	<b>96</b>	<b>79</b>	<b>84</b>	<b>78</b>	<b>78</b>	<b>81</b>	
<b>Commitments &amp; Reserve Requirements</b>	<b>112</b>	<b>68</b>	<b>64</b>	<b>67</b>	<b>71</b>	<b>73</b>	<b>75</b>	<b>77</b>	<b>79</b>	<b>81</b>	
<b>Surplus Cash/(Shortage)</b>	<b>0</b>	<b>1</b>	<b>(2)</b>	<b>20</b>	<b>25</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>(1)</b>	<b>(0)</b>	



**Long Range Financial Plan Risks**

The purpose of the Long Range Financial Plan is to provide a forecast of the Authority’s financial resources and projected expenditures based on planned levels of service and the strategic goals of Capital Metro. While the LRFPP uses the most current estimates and data available, there are inherent risks to long-term projections. Some of the more significant risks to the plan include:

- Decline in sales tax growth
- Changes to federal grant funding programs
- Significant recession event during the next 10 years
- Unforeseen regulatory or capital needs
- Future contracted rates with service providers
- Pension plan growth rates
- Unforeseen technological changes

**Long Range Financial Plan Unfunded Capital Projects**

The proposed Long Range Financial Plan reflects significant capital spending in the intermediate term, funded by accumulated funds from previous years. Future capital spending would need to be funded by ongoing annual cash flow, debt or an increase in funding from federal or other external sources. The LRFPP includes replacement cycles and maintenance of existing assets and infrastructure. With the correlation of capital expenditures to sales tax growth, many capital initiatives will remain unfunded. The list of unfunded projects for the next 10 years totals \$202 million and includes:

Project	\$ in Millions
Leander Rail Facility	\$ 84.4
MetroRapid Stations (801/803 Expansion & 804/820 New)	18.8
Rapid Buses	17.7
Mobility Hub Regional - Community	9.0
Mobility Hub Regional - Hancock Center	5.0
Mobility Hub - Riverside	5.0
Downtown Circulator	1.3
Administration Facility	57.5
<b>Total Enhancements</b>	<b>198.7</b>
Rail Steel Tie Replacements	3.7
<b>Total State of Good Repair</b>	<b>3.7</b>
<b>Total Unfunded Projects</b>	<b>\$ 202.4</b>

**Conclusions and Recommendations**

During this time of revenue uncertainty, the agency needs to proceed with caution and maintain current spending levels until surpluses are sustainable on a recurring basis and can fund new ongoing operational costs. One-time, accumulated funding is available for current capital projects and, once these projects are completed, future capital spending will need to be funded by operating cash flow. Future spending needs to be aligned with future revenue growth and the agency needs to maintain at least \$36 million in net cash flow in order to maintain assets in a state of good repair.

## Grants

As with most public transportation systems in the United States, Capital Metro receives federal financial assistance through a variety of grant programs. The majority of Capital Metro grants are provided through authorized programs administered by the FTA, 1 of 10 modal administrations within the USDOT. Authorizing legislation is substantive legislation enacted by Congress that establishes or continues the legal operation of a federal program or agency. The FTA's most recent authorizing legislation is the Fixing America's Surface Transportation (FAST) Act (Pub. L. 114-94), signed into law on December 4, 2015. The FAST Act authorizes various grant programs for federal fiscal years 2016 through 2020. This section provides brief descriptions of the grant programs Capital Metro relies upon to support its public transportation services.

### **Urbanized Area Formula Grant (Section 5307)**

The Urbanized Area Formula Program (Section 5307) provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion. This grant funding is apportioned annually to states and designated recipients using factors that are specified in the law or in an administrative formula developed by the FTA. As the designated recipient for the Austin UZA, Capital Metro was apportioned approximately \$28 million in Section 5307 grant funds for FY2017 and will budget a similar amount for FY2018. Most of these funds will be applied to the capital cost of public transit services acquired through third party service providers.

### **Capital Investment Program (Section 5309)**

The Capital Investment Program is the FTA's primary grant program for funding major transit capital investments, including heavy rail, commuter rail, light rail, streetcars and bus rapid transit (BRT). It is a discretionary grant program, meaning the funding is distributed at the discretion of the funding agency for eligible projects meeting statutory criteria. Recent Capital Metro projects funded through this program include projects to replace or add new bus stop signage at passenger stations and facilities and replacement of vehicles used for the MetroAccess service. MetroRapid service, which began in January 2014, was also implemented with capital assistance that was provided through this program. The final grant reimbursements for expenditures related to MetroRapid implementation are anticipated during FY2018.

### **Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)**

The Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and ADA complementary paratransit services. This grant funding is apportioned annually to states and designated recipients using factors that are specified in the law or in an administrative formula developed by the FTA. Since it became a designated recipient in 2014, Capital Metro has been responsible for administering Section 5310 funds apportioned to the Austin UZA. Part of this responsibility includes selecting projects that will be funded through this program. Capital Metro has established a competitive project selection process which it has authorized the Capital Area Metropolitan Planning Organization (CAMPO) to administer to award grants to sub-recipients. Since 2014, more than \$2.5 million in Section 5310 funds have been awarded for eligible projects. Although most Section 5310 projects are carried out by local nonprofit

agencies, Capital Metro implements its own projects through this grant program including the operation of 2 new bus routes developed to provide transit service to areas where concentrations of senior independent living housing are located and mobility management activities.

### **Job Access and Reverse Commute (Section 5316)**

The Job Access and Reverse Commute (JARC) program was a previously-authorized grant program that was repealed prior to the enactment of the FAST Act. Although no new JARC funds are apportioned annually, Capital Metro continues managing several ongoing JARC projects using funds apportioned in prior years. The remaining projects include services provided by sub-recipients to improve access to employment and employment-related activities for eligible low-income individuals. These projects include the purchase of vehicles to transport low-income individuals with physical disabilities and mental health issues to and from work sites, and operating assistance provided to neighboring communities and organizations addressing the transportation needs of homeless individuals. Current JARC sub-recipients include the city of Round Rock, Mary Lee Foundation, Foundation for the Homeless and CARTS.

### **New Freedom (Section 5317)**

The New Freedom Program was a previously authorized grant program which was repealed prior to the enactment of the FAST Act. Although New Freedom funds are no longer apportioned annually, Capital Metro still manages several ongoing projects undertaken by subrecipients with New Freedom funds apportioned in prior years. Those projects include replacement of vehicles and operating assistance for agencies serving the needs of elderly individuals and individuals with disabilities. Current New Freedom subrecipients include CARTS, AGE of Central Texas, Faith in Action Caregivers and the Mary Lee Foundation.

### **Bus and Bus Facilities Formula and Discretionary Grants (Section 5339)**

The Bus and Bus Facilities Formula (Section 5339(a)) program provides funding to replace, rehabilitate and purchase buses and related equipment, as well as construct bus related facilities. This grant funding is apportioned annually to states and designated recipients in Urbanized Areas (UZA) using factors that are specified in law. As the designated recipient for the Austin UZA, Capital Metro was apportioned approximately \$1.9 million in Section 5339 grant funds for FY2017 and will budget a similar amount for FY2018. These funds will be used to acquire new buses to replace older vehicles that have achieved or exceeded useful lives in terms of years and/or miles of service.

In addition to the formula bus program, the FAST Act established a Bus and Bus Facilities Competitive (Section 5339(b)) program for projects selected through a competitive allocation process to states and transit agencies to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. The competitive allocation provides funding for major improvements to bus transit systems that would not be achievable through formula allocations. During FY2017 Capital Metro in partnership with the CARTS began implementing a bus replacement project that was awarded an \$11.2 million Section 5339(b) grant. The project is expected to be completed during FY2018.

### **Transportation Investments Generating Economic Recovery Discretionary Grant Program**

The Transportation Investments Generating Economic Recovery, or TIGER, Discretionary Grant program provides a unique opportunity for the USDOT to invest in road, rail, transit and port projects that promise to achieve critical national objectives. Since 2009, Congress has dedicated more than \$5.6 billion for nine rounds to fund projects that have a significant impact on the nation, a region or a metropolitan area.

This highly competitive program enables the USDOT to examine a broad array of projects on their merits, to help ensure that taxpayers are getting the highest value for every dollar invested. In each round of TIGER, the USDOT receives many applications to build and repair critical pieces of freight and passenger transportation networks. Applicants must detail the benefits their project would deliver for 5 long-term outcomes: safety, economic competitiveness, state of good repair, livability and environmental sustainability. Capital Metro was awarded \$11,337,989 in TIGER program funds during the fifth round of funding to undertake commuter and freight rail improvements totaling \$35,271,294. The improvements, which are already underway, include upgrading railroad bridges, replacing existing 90-pound rail with 115-pound rail, upgrading the timber and surface, adding new double-tracking at some stations and extending double tracks at other stations, as well as improving cross warning systems, sidings and wayside signal systems.

### **Other Grants**

Capital Metro continues to monitor and pursue other grant opportunities to maximize transit benefits available to the region. Recent efforts have resulted in great success. For example, Capital Metro has received Federal Highway Administration (FHA) grants awarded through CAMPO. These grants are currently being used for comprehensive planning studies and mobility management activities.

In 2015, Capital Metro executed a \$50 million grant awarded by the Texas Transportation Commission, the governing body of TxDOT, to purchase 2 additional MetroRail trains and to construct a permanent, expanded downtown rail station. This funding will be critical in enabling Capital Metro to increase the frequency of trains on the Red Line, cutting the wait time from 34 minutes during peak travel periods to 15 minutes. It will also allow for the addition of a late train after 7 pm, giving more commuters a convenient alternative to their own vehicles. The new trains were delivered in the spring of 2017 and are expected to be in service by 2018. Construction for Downtown Station is also expected to get underway during 2018.

In 2015 and 2016 Capital Metro was selected for funding through the Emissions Reduction Incentive Grant (ERIG) Program administered by the TCEQ. Three ERIG grants totaling \$3,377,000 have been applied toward the acquisition of clean diesel buses to replace older vehicles and will result in a reduction of vehicle emissions of nitrogen oxides.

Additional grants awarded to Capital Metro toward the end of 2016 for projects that began implementation in 2017 include \$3 million from the FRA and \$9.8 million by the USDOT for railroad safety technology and \$550,476 from the FEMA for security enhancements at Capital Metro facilities.

# Board of Directors Support

## Functions and Responsibilities

The Board of Directors Support department provides support to the board of directors and president/chief executive officer to achieve the strategic mission and vision of Capital Metro. The department coordinates monthly board and committee meetings and periodic work sessions on strategic issues. The department works with the Legal department to ensure compliance with the Texas Transportation Code, Section 451 and Texas Open Meetings Act requirements. The Board of Directors Support department also facilitates communication between the board of directors, Capital Metro staff and members of the public.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Upgraded boardroom interior and furniture to improve the customer experience when attending Capital Metro board and committee meetings.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Continued practice of using tablet computers and issuing backup materials to board members in electronic format to reduce paper waste in keeping with Capital Metro's commitment to sustainable business practices.
  - Continued to standardize and document Capital Metro board policies to increase efficiency and transparency.
  - Continued educational outreach to internal stakeholders on board processes.

## FY2018 Planned Initiatives

- ◆ Community
  - Upgrade boardroom audio/visual system and lighting to allow for improved broadcast quality and the provision for live closed-captioning of board meetings.



### Board of Directors Support Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$4,782 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Increase of \$6,112 largely due to \$5,500 in Other Services for closed-captioning services for all board meetings and public hearings.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$162,605	\$175,331	\$175,331	\$179,405	\$4,074	2.3%
FICA-Admin	12,719	13,118	13,118	13,826	708	5.4%
State Unemployment-Admin	342	342	342	342	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>175,666</b>	<b>188,791</b>	<b>188,791</b>	<b>193,573</b>	<b>4,782</b>	<b>2.5%</b>
<b>OTHER EXPENSES</b>						
Courier And Delivery Services	4	244	40	100	(144)	(59.0%)
Other Services	17,235	40,740	30,000	46,240	5,500	13.5%
Office Supplies	4,351	2,104	2,104	2,500	396	18.8%
Supplies-Board Of Directors	367	1,200	800	1,200	-	0.0%
Telephone-Local	480	660	450	420	(240)	(36.4%)
Dues And Subscriptions	129	130	130	130	-	0.0%
Airfare - Transportation	4,956	14,800	10,000	14,800	-	0.0%
Travel - Per Diem	10,031	16,100	14,000	8,100	(8,000)	(49.7%)
Seminar, Conferences, Registration	8,121	20,620	13,500	20,620	-	0.0%
Lodging	12,161	17,375	17,375	17,375	-	0.0%
Business Meals - Local	2,055	-	-	8,000	8,000	0.0%
Postage	0	120	29	20	(100)	(83.3%)
Other Miscellaneous Expenses	2,821	-	-	-	-	0.0%
Food and Ice	-	-	-	700	700	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>62,710</b>	<b>114,093</b>	<b>88,428</b>	<b>120,205</b>	<b>6,112</b>	<b>5.4%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$238,376</b>	<b>\$302,884</b>	<b>\$277,219</b>	<b>\$313,778</b>	<b>\$10,894</b>	<b>3.6%</b>

# Bus and Paratransit Services

## Functions and Responsibilities

The Bus and Paratransit Services department is responsible for coordinating the operations and activities of all Capital Metro service providers for the bus and paratransit modes. This includes coordination of contract management, data collection and analysis and quality assurance activities for both vehicle operations and maintenance. This department includes staff supporting all modes of service, including data analysis, administrative support and vehicle maintenance.

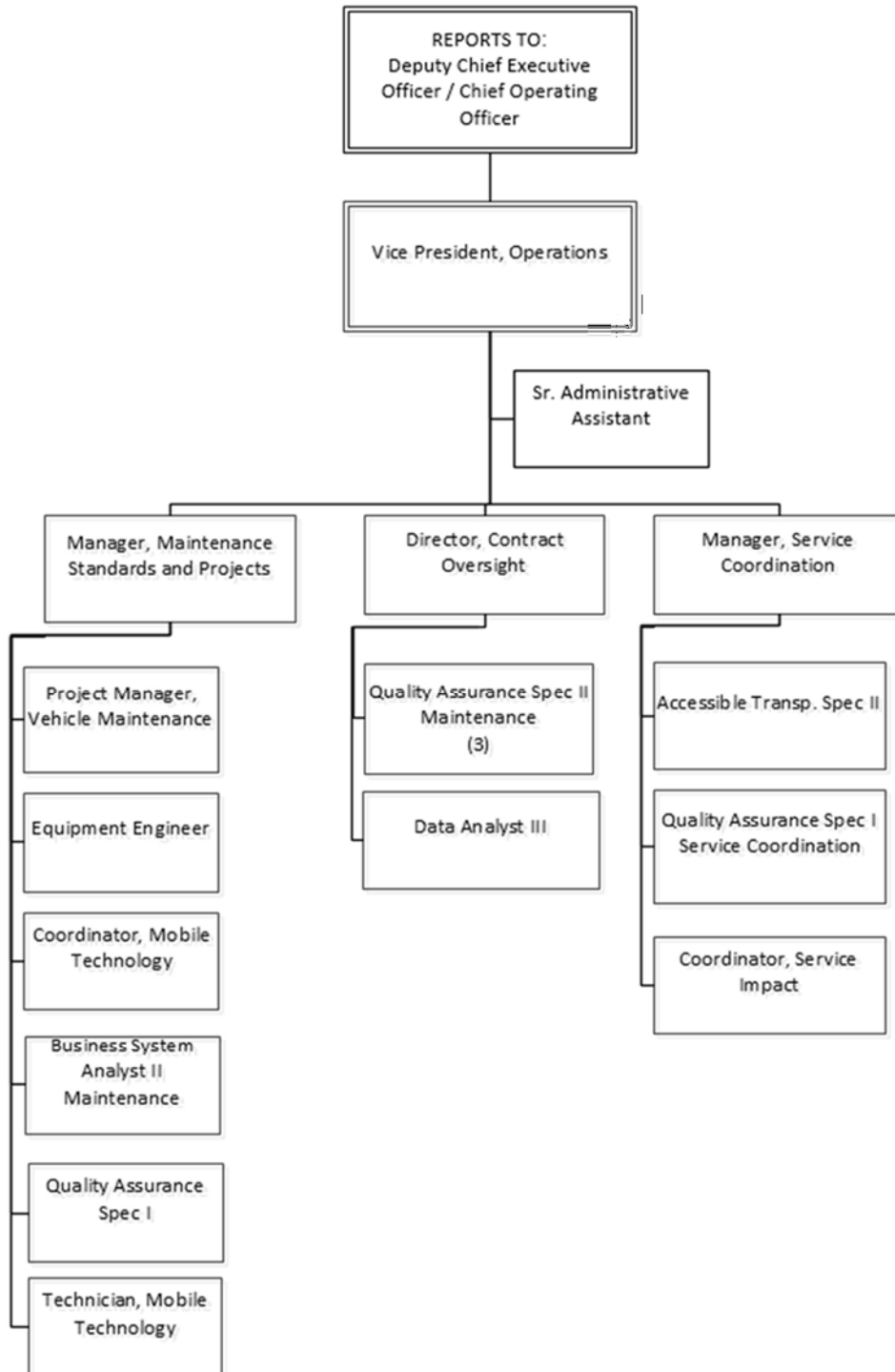
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Continued to implement the fleet replacement schedule as outlined in the long-range financial plan.
  - Provided continued support for use of Capital Metro's intelligent transportation system with a focus on data-driven decision-making for service improvements.
  - Launched expanded Commuter and MetroRapid service.
- ◆ Demonstrate Regional Leadership
  - Placed new cutaway buses into service to support rural routes in the Capital Metro service area and new services in Georgetown and Round Rock.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Continue to implement safety management system in conjunction with the service providers and roll out agency-wide initiatives to reduce vehicle and rider accidents.
  - Implement Connections 2025 service plan increases in June 2018.
  - Develop and implement pilot project(s) to support mobility innovation zones, a component of the Connections 2025 service plan offering alternative new mobility options.
  - Continue to implement the fleet replacement schedule as outlined in the long-range financial plan.
  - Provide continued support for use of Capital Metro's intelligent transportation system with a focus on data-driven decision-making for service improvements.

### Bus and Paratransit Services Department Organizational Chart





## **Budget Changes**

### **Labor and Benefits**

Increase of \$191,758 due to addition of a full-time service impact coordinator, a mobile technology technician and the approved performance-based pay increases to become effective in January 2018.

### **Other Expenses**

Net decrease of \$234,850 primarily driven by a reduction of \$154,309 in Other Services – CTECC for anticipated data storage at the Combined Transportation Emergency and Communications Center (CTECC), a secured site utilized by Capital Metro for its fixed-route dispatch services. Increase of \$300,000 in Maintenance-Radios for replacing 2 microwave transmitters. Decrease of \$278,000 in Other Services related to repair and preventive maintenance on the dynamic message signs (DMS). This activity will be accomplished in-house by the additional full-time mobile technology technician position. Increase of \$113,500 in Other Supplies primarily driven by a reclassification from the Bus Contract Operations department for vehicle configuration, specialty tools and software licenses.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,058,047	\$1,362,633	\$1,346,080	\$1,541,708	\$179,075	13.1%
Overtime - Administrative	6,828	19,548	19,548	19,548	-	0.0%
FICA-Admin	90,477	102,274	102,274	114,786	12,512	12.2%
State Unemployment-Admin	2,713	2,907	2,907	3,078	171	5.9%
Uniform Allowance-Admin.	2,290	2,800	2,800	2,800	-	0.0%
Other Benefits - Admin	(50)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,160,305</b>	<b>1,490,162</b>	<b>1,473,609</b>	<b>1,681,920</b>	<b>191,758</b>	<b>12.9%</b>
<b>OTHER EXPENSES</b>						
Other Services - Clecc	630,518	643,000	643,000	488,691	(154,309)	(24.0%)
Other Professional Fees	35,569	191,000	100,000	103,000	(88,000)	(46.1%)
Temporary Help	57,978	-	-	-	-	0.0%
Maintenance-Radios	641,804	595,000	595,000	895,000	300,000	50.4%
Repair & Maintenance-Other	695,538	420,000	485,000	350,000	(70,000)	(16.7%)
Other Services	322,881	354,000	354,000	76,000	(278,000)	(78.5%)
Diesel	429	4,327	2,200	2,200	(2,127)	(49.2%)
Gasoline	7,166	15,500	8,000	8,000	(7,500)	(48.4%)
Fuel Risk Management	298	-	-	-	-	0.0%
Office Supplies	10,179	15,500	15,500	15,500	-	0.0%
Other Supplies	8,991	26,500	26,500	140,000	113,500	428.3%
Freight Charge-Inventory Parts	49	-	-	-	-	0.0%
Telephone-Local	1,000	1,200	1,400	1,400	200	16.7%
Diesel Fuel Tax	22	-	-	-	-	0.0%
Gasoline Fuel Tax	3,546	3,700	2,500	-	(3,700)	(100.0%)
Fuel Surcharge	17	24	-	-	(24)	(100.0%)
Dues And Subscriptions	4,216	3,600	3,600	3,600	-	0.0%
Airfare - Transportation	20,229	24,850	24,850	29,350	4,500	18.1%
Travel - Per Diem	2,652	27,690	16,000	9,100	(18,590)	(67.1%)
Toll Road Charges	10,592	10,000	13,000	13,000	3,000	30.0%
Seminar, Conferences, Registration	6,054	9,600	9,600	12,350	2,750	28.6%
Lodging	26,777	53,250	30,000	30,100	(23,150)	(43.5%)
Travel - Other	2,809	6,900	6,900	-	(6,900)	(100.0%)
Business Meals - Local	-	-	-	10,000	10,000	0.0%
Postage	2,895	3,000	1,500	1,500	(1,500)	(50.0%)
Other Miscellaneous Expenses	16,909	15,000	10,000	-	(15,000)	(100.0%)
<b>TOTAL OTHER EXPENSES</b>	<b>2,509,119</b>	<b>2,423,641</b>	<b>2,348,550</b>	<b>2,188,791</b>	<b>(234,850)</b>	<b>(9.7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,669,425</b>	<b>\$3,913,803</b>	<b>\$3,822,159</b>	<b>\$3,870,711</b>	<b>(\$43,092)</b>	<b>(1.1%)</b>

# Bus Contract Operations

## Functions and Responsibilities

The Bus Contract Operations department serves to segregate costs for each of Capital Metro's private fixed-route service contractors. Costs related to MetroBus, MetroExpress, Rural Services and the University of Texas Shuttle routes are budgeted in this department. There are 3 contractors managed by this department: CARTS, MV Transportation and McDonald Transit Associates.

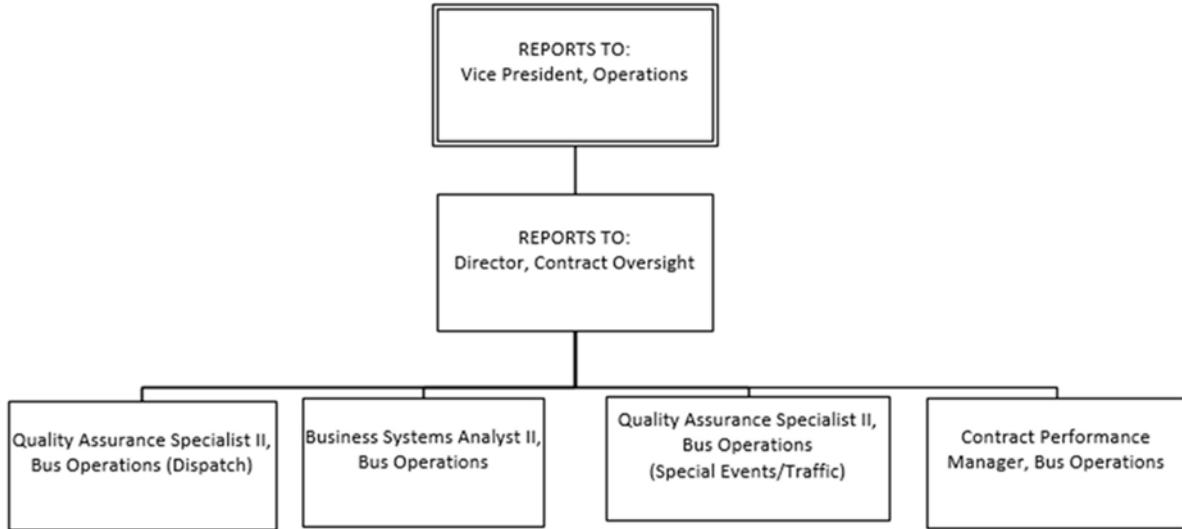
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Received and processed for service 98 Gillig buses that replaced older vehicles assigned to fixed-route services.
  - Received and processed for service 15 NovaBus buses to expand MetroRapid service.
  - Received and processed for service 6 MCI buses to expand MetroExpress service.
  - Tested a double-decker bus on Routes 935 and 982.
  - Implemented increased frequency for MetroRapid service without any operational challenges.
  - Tested a new autonomous vehicle in partnership with Easy Mile, McDonald Transit Associates, RATP Dev and the University of Texas Center for Transportation Research.
  - Continued implementation of the safety management system through working in partnership with Safety, Risk Management Oversight Team and service providers.
- ◆ Demonstrate Regional Leadership
  - Placed into service new cutaway buses to support rural routes in the Capital Metro service area and new services in Georgetown and Round Rock.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Continue to implement safety management system (SMS) in conjunction with the service providers and roll-out agency-wide initiatives to reduce vehicle and passenger accidents.
  - Work with service providers to implement Connections 2025 recommendations.
  - Continue to foster good relations and provide technical support to service providers regarding contract compliance through contract management and service monitoring plans.
  - Start preparing RFP for fixed-route transit services.

### Bus Contract Operations Department Organizational Chart







## Budget Changes

### Labor and Benefits

Decrease of \$86,753 due to transferring 1 full-time equivalent position to the Paratransit Contract Operations department, partially offset by the approved performance-based pay increases to become effective in January 2018.

### Other Expenses

Net decrease of \$434,105 primarily driven by a decrease in Diesel, Gasoline and Fuel-North Operations location of \$6,977,441 due to a lower price per gallon budgeted in FY2018. Diesel is budgeted at \$2.00 per gallon, including taxes. Decrease of \$180,000 in Other Supplies primarily due to reclassifying vehicle configuration, specialty tools and software licenses expense to the Bus and Paratransit Services Administration department. Net increase of \$6,746,006 in service providers' contracts: E. Fifth Street location, housing our buses operated by Mc Donald Transit, North Operations Bus location and Rural Service Bus - CARTS, to fund planned schedule adjustments, as well as changes in contractual rates.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$307,042	\$406,393	\$350,615	\$325,158	(\$81,235)	(20.0%)
FICA-Admin	26,323	30,405	30,405	25,057	(5,348)	(17.6%)
State Unemployment-Admin	864	854	854	684	(170)	(19.9%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>334,228</b>	<b>437,652</b>	<b>381,874</b>	<b>350,899</b>	<b>(86,753)</b>	<b>(19.8%)</b>
<b>OTHER EXPENSES</b>						
Maintenance-Radios	(4,519)	23,471	23,471	1,500	(21,971)	(93.6%)
Diesel	4,674,499	11,632,562	6,034,722	7,052,018	(4,580,544)	(39.4%)
Gasoline	62,525	270,536	91,424	175,958	(94,578)	(35.0%)
Fuel-North Ops .	1,950,649	5,270,843	2,446,735	2,968,524	(2,302,319)	(43.7%)
Fuel Risk Management	4,733,803	-	1,867,039	-	-	0.0%
Office Supplies	90	-	-	250	250	0.0%
Other Supplies	29,073	180,000	80,000	-	(180,000)	(100.0%)
Telephone-Local	240	2,700	2,700	2,700	-	0.0%
Diesel Fuel Tax	929,796	-	-	-	-	0.0%
Gasoline Fuel Tax	5,168	-	-	-	-	0.0%
Fuel Surcharge	3,663	-	-	-	-	0.0%
Fixed Route-Local Service	3,258,427	-	-	-	-	0.0%
Fixed Route-University of Texas	6,493,377	-	-	-	-	0.0%
Special Service	383,439	-	-	-	-	0.0%
Fixed Route - Flyer	15,529	-	-	-	-	0.0%
Fixed Route - PRC	(11,112)	-	-	-	-	0.0%
Rapid Bus Fixed Route Services	9,740,234	-	-	-	-	0.0%
E. Fifth Bus	70,054,879	77,142,729	75,595,425	81,630,087	4,487,358	5.8%
North Ops Bus	7,950,129	25,029,506	24,422,070	28,023,352	2,993,846	12.0%
Rural Service Bus	1,926,646	2,572,637	2,284,060	1,837,439	(735,198)	(28.6%)
Airfare - Transportation	1,051	2,500	2,500	1,650	(850)	(34.0%)
Travel - Per Diem	948	1,250	1,250	1,050	(200)	(16.0%)
Seminar, Conferences, Registration	1,130	2,300	2,300	2,400	100	4.3%
Lodging	1,411	2,400	2,400	2,400	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>112,201,072</b>	<b>122,133,434</b>	<b>112,856,096</b>	<b>121,699,329</b>	<b>(434,105)</b>	<b>(0.4%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$112,535,301</b>	<b>\$122,571,086</b>	<b>\$113,237,969</b>	<b>\$122,050,227</b>	<b>(\$520,859)</b>	<b>(0.4%)</b>

## Business Center

### Functions and Responsibilities

The Business Center provides support services to Capital Metro, including printing, copying, scanning, postage, meeting room reconfiguration and messenger services through a contract with Ricoh. Lost-and-found articles are also managed through this contract. The Business Center is under the oversight of the Vice President of Administration/Risk Management Compliance Officer.

### FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Distributed and stocked rider information across all fixed-route services.
  - Administered lost-and-found procedures based on updated processes.
  - Provided copy/fax/scan services for all departments.
  - Developed Business Center Intranet page and user guide to communicate services offered.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Delivered document services at the lowest possible cost. The base cost of operating the business center has not increased since the contract was extended in 2013.
  - Improved document finishing with new binding technology.
  - Met departments' needs to increase productivity by leasing additional printers.

### FY2018 Planned Initiatives

- ◆ Customer Experience
  - Collect and deliver lost-and-found articles across all modes of service.
  - Continue to provide copy/fax/scan services for all departments.
- ◆ Finance
  - Continue to deliver document services at the lowest possible cost with upgraded technology.



### Budgetary Changes

#### Other Expenses

Net Increase of \$3,204 due to \$13,200 for the acquisition of additional copiers and a reduction of courier costs of \$9,996.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>OTHER EXPENSES</b>						
Courier And Delivery Services	\$4,228	\$9,996	-	-	(\$9,996)	(100.0%)
Other Services	240,656	236,352	236,352	236,352	-	0.0%
Postage	(1,544)	-	-	-	-	0.0%
Office Equipment	97,017	107,616	96,120	120,816	13,200	12.3%
<b>TOTAL OTHER EXPENSES</b>	<b>340,357</b>	<b>353,964</b>	<b>332,472</b>	<b>357,168</b>	<b>3,204</b>	<b>0.9%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$340,357</b>	<b>\$353,964</b>	<b>\$332,472</b>	<b>\$357,168</b>	<b>\$3,204</b>	<b>0.9%</b>

# Capital Projects

## Functions and Responsibilities

The Capital Projects department is responsible for the planning and development of capital projects to provide customer and administrative facilities for the agency. The department serves as the central area for the project management, design and construction of all capital facilities projects, including all Capital Metro bus stops, Park & Rides, transit centers and rail stations. The department's responsibilities also include the bus stop accessibility improvements program.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Completed 60 percent of the design phase for the new Downtown Station; executed the interlocal agreement with the city of Austin; and actively developed city, stakeholder and public support and consensus for the project.
  - Initiated design for double tracking from Plaza Saltillo to IH-35.
  - Completed 50 bus stop improvements for the bus stop accessibility improvement project to achieve ADA compliance at 99 percent of our bus stops.
  - Completed fabrication, delivery and installation of 25 cantilever-style shelters to be installed at bus stops that meet ridership standards.
  - Opened 460 additional parking spaces at the Lakeline Station Park & Ride.
  - Opened 85 additional parking spaces at the Howard Station Park & Ride.
  - Completed environmental clearance, pre-engineering and 60 percent of the design for 16 new (8 pairs) MetroRapid Route 801 and 803 stations.
  - Completed design of the South Congress Transit Center parking expansion project.
  - Completed abatement and remediation of the Serta manufacturing building to be demolished at the North Operations Facility.
  - Initiated design of the North Operations facility bus parking lot expansion on the site currently occupied by the Serta manufacturing building.
  - Expanded the fueling system at North Operations Rail Maintenance Facility.
  - Installed a fall protection system in the North Operations Rail Maintenance Facility canopy.
  - Installed a track turnout on the siding track at the North Operations Rail Maintenance Facility.
  - Completed construction of the North Operations Facility Warehouse reconfiguration.

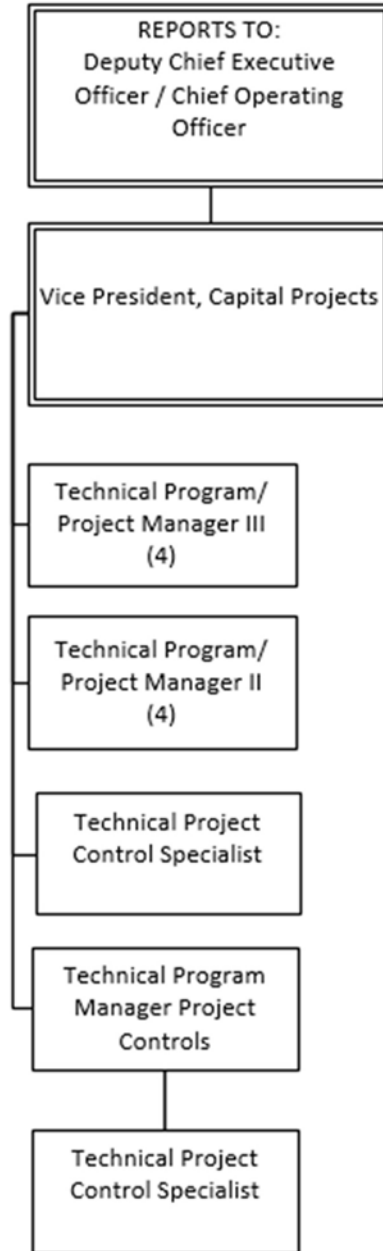
- Completed the design for the North Operations Facility exterior elevator enclosure to prevent water from entering the elevator shaft.
- Completed design and permitting and initiated bidding for North Operations Facility bus probe station construction.
- Completed improvements to the North Lamar Transit Center bus operator restroom.
- Develop funding partnership with city of Austin for signalized bike and pedestrian crossings at 4th Street and IH-35.
- Finalized and completed the design of the new neighborhood bus stops signs.
- Prototyped 3 types of solar lights, solar signs and solar poles for bus stops.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - For the TIGER V Federal Grant Project:
    - Completed safety improvements to 6 Diesel Multiple Units (DMU, or trains) to be able to achieve FRA alternate vehicle compliance.
    - Completed upgrades to 46 bridges to increase their carrying capacity and help ensure long-term safe operations.
    - Completed design, secured permitting and completed the procurement process for the rail sidings, signals and systems at the Crestview, Howard and Lakeline rail stations.
  - Completed design of Westgate Park & Ride facility.
  - Completed design of the North Operations Rail Maintenance Facility building to provide additional storage for new DMUs.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Developed agency-wide project management framework and implemented pilot projects.
  - Created an online document management database of agency's record drawings.

### **FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Complete design, permitting, bidding and begin construction on the new Downtown Station.
  - Complete the design and construction for double tracking from Plaza Saltillo to IH-35.
  - For TIGER V, complete bridge improvement projects and the rail sidings at Crestview, Howard and Lakeline Stations.
  - Complete construction of the Leander Trail connecting the rail station to the new Austin Community College (ACC) campus.
  - Complete construction of the South Congress Transit Center parking expansion project.

- Complete design and initiate construction of the North Operations Facility bus parking expansion.
- Complete construction of 1,960 square feet of additional storage space at the North Operations Rail Maintenance Facility.
- Complete design for new administrative lease space.
- Initiate design for 2910 E. 5th Street Administration Headquarters space reconfiguration.
- Complete fabrication, delivery and installation of 30 cantilever-style shelters to be installed at bus stops that meet ridership standards.
- Begin procurement and installation of new neighborhood bus stops signs.
- ◆ Ridership
  - Complete construction of 16 (8 pairs) additional MetroRapid Stations for Route 801 and 803.
  - Complete design and construction of the new bus stops required for Connections 2025.
  - Complete construction of the Westgate Park & Ride facility.
- ◆ Human Capital
  - Continue to update the online database of agency's drawings.
  - Implement the project management framework across the agency.

### Capital Projects Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$165,618 due to the transfer of 1 employee from the Rail Commuter Operations department and the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$43,730 mainly driven by \$199,450 in Other Professional Fees and \$133,804 in Non-Capital Projects, both due to the refurbishment of various offices, corridors and break rooms at Capital Metro's administrative facilities, which was included in the FY2017 budget, but is now planned for FY2019. Decrease mostly offset by an addition of \$350,175 in Capital Contributions-Other Jurisdictions for Leander Trail along with Howard and Kramer Trails for increased pedestrian and bicycle access to transit. Leander Trail was included in the FY2017 capital budget and has been moved to the operating budget as it is not eligible for capitalization as an asset once the work is completed.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$734,088	\$1,098,464	\$1,046,693	\$1,251,142	\$152,678	13.9%
FICA-Admin	56,334	79,798	79,798	92,482	12,684	15.9%
State Unemployment-Admin	1,518	1,796	1,796	2,052	256	14.3%
Other Benefits - Admin	(50)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>791,890</b>	<b>1,180,058</b>	<b>1,128,287</b>	<b>1,345,676</b>	<b>165,618</b>	<b>14.0%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	128,411	318,900	150,000	119,450	(199,450)	(62.5%)
Permits And Fees	10,591	20,000	20,000	20,000	-	0.0%
Temporary Help	113,295	25,000	25,000	-	(25,000)	(100.0%)
Courier And Delivery Services	22	180	180	-	(180)	(100.0%)
Other Services	27,833	91,000	70,000	70,000	(21,000)	(23.1%)
Office Supplies	3,650	5,004	5,004	5,000	(4)	(0.1%)
Other Supplies	1,645	1,400	1,912	-	(1,400)	(100.0%)
Non Capital Equipment	-	5,000	5,000	-	(5,000)	(100.0%)
Non-Capital Projects	1,507,094	426,154	312,000	292,350	(133,804)	(31.4%)
Telephone-Local	-	1,800	-	-	(1,800)	(100.0%)
Dues And Subscriptions	2,304	3,927	3,927	3,980	53	1.3%
Airfare - Transportation	1,757	3,900	3,900	2,500	(1,400)	(35.9%)
Travel - Per Diem	1,227	1,200	1,200	1,000	(200)	(16.7%)
Seminar, Conferences, Registration	2,354	3,620	3,620	5,250	1,630	45.0%
Lodging	2,922	4,100	4,100	3,750	(350)	(8.5%)
Postage	9	-	-	-	-	0.0%
Other Miscellaneous Expenses	17	1,000	1,000	-	(1,000)	(100.0%)
Lease-Administrative Facility	2,995	5,000	-	-	(5,000)	(100.0%)
Capital Contributions-Other Jurisdictions	-	-	100,000	350,175	350,175	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>1,806,126</b>	<b>917,185</b>	<b>706,843</b>	<b>873,455</b>	<b>(43,730)</b>	<b>(4.8%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,598,016</b>	<b>\$2,097,243</b>	<b>\$1,835,130</b>	<b>\$2,219,131</b>	<b>\$121,888</b>	<b>5.8%</b>



# Central Corridor Development

## Functions and Responsibilities

The Central Corridor Development department is managed by the Strategic Planning and Development department's Long-Range Planning group. This functional area advances high-capacity transit planning efforts, including Project Connect, with the purpose of identifying, evaluating, refining and advancing implementation of public transportation solutions and infrastructure.

## FY2017 Accomplishments

- ◆ Demonstrate Regional Leadership
  - Completed Phase I of the Project Connect study on the central corridor to assess transit needs in the existing core, and to evaluate and prioritize potential new high-capacity transit services, both within and connecting to the central core of Austin.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Through Project Connect completed a major community involvement effort using a broad range of outreach strategies to gather input from stakeholders and the public.

## FY2018 Planned Initiatives

- ◆ Ridership
  - Complete Phase II of Project Connect to include detailed analysis of selected corridors and projects.
  - Initiate Phase III of Project Connect to identify a set of locally preferred alternatives, identify and develop a funding plan and initiate advanced planning and environmental reviews.
- ◆ Community
  - Through Project Connect continue a major community involvement effort using a broad range of outreach strategies to gather input from stakeholders and the public.



### Budget Changes

#### Other Expenses

Increase of \$521,333 in Consultation Fees due to the addition of \$753,333 for Project Connect alternative analyses (Red Line, IH-35) not funded by the city of Austin grant, partially offset by a reduction to reflect anticipated timing of the grant-funded study efforts.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
<b>OTHER EXPENSES</b>						
Consultation Fees	\$440,937	\$1,558,000	\$1,117,063	\$2,079,333	\$521,333	33.5%
<b>TOTAL OTHER EXPENSES</b>	<b>440,937</b>	<b>1,558,000</b>	<b>1,117,063</b>	<b>2,079,333</b>	<b>521,333</b>	<b>33.5%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$440,937</b>	<b>\$1,558,000</b>	<b>\$1,117,063</b>	<b>\$2,079,333</b>	<b>\$521,333</b>	<b>33.5%</b>

## Child Care and Learning Center

### Functions and Responsibilities

The Capital Metro Child Care and Learning Center opened on July 31, 2006. It is operated by Bright Horizons Family Solutions through a contract with Capital Metro. The center provides an onsite child development environment to the families of Capital Metro, service contractors and the community. During its years of operation, a lower turnover and absenteeism rate for employees using the center has been achieved. The subsidy for Capital Metro employees provides less than 20 percent of operating costs. Capital Metro's transportation providers contribute \$40,000 annually to subsidize the center as well. The community pays full tuition without any subsidy. The cost of the facility is offset by tuition revenue, estimated to be \$750,000 in FY2018. A small amount of annual funding through the Child and Adult Care Food Program also helps to offset costs. This contract is managed by the Human Resources department.

### FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Maintained the subsidy for FY2017 below 20 percent, at 13 percent, including tuition and grant revenue.
  - Increased the amount of childcare tuition revenue from \$645,209 in FY2015 to \$734,772 in FY2016. Anticipate increased revenue in FY2017.
  - Maintained enrollment levels that included a waiting list. Average enrollment has been 62 children for FY2017.

### FY2018 Planned Initiatives

- ◆ Human Capital
  - Continue to review and adjust tuition levels to further reduce the need for a subsidy.
  - Continue to seek other grant opportunities to further reduce the need for a subsidy.
  - Review other options to provide child care for employees, contractor employees and the community, such as inclusion in transit-oriented development projects.



### Budget Changes

#### Other Expenses

Increase of \$29,325 in Other Professional Fees due to contractual increase.

	<b>FY 2016 ACTUAL</b>	<b>FY 2017 BUDGET</b>	<b>FY 2017 FORECAST</b>	<b>FY 2018 BUDGET</b>	<b>Var \$ FY 2018 vs. FY 2017</b>	<b>Var % FY 2018 vs. FY 2017</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	\$778,137	\$832,450	\$832,450	\$861,775	\$29,325	3.5%
<b>TOTAL OTHER EXPENSES</b>	<b>778,137</b>	<b>832,450</b>	<b>832,450</b>	<b>861,775</b>	<b>29,325</b>	<b>3.5%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$778,137</b>	<b>\$832,450</b>	<b>\$832,450</b>	<b>\$861,775</b>	<b>\$29,325</b>	<b>3.5%</b>

# Communications

## Functions and Responsibilities

The Communications department leads the development and execution of innovative and effective communications strategies including the dissemination of public information, media relations, social media, crisis communications and coordination of internal and external stakeholder communications. The department serves as the primary contact point for the news media. It provides communications strategy and support to other departments and the board, allowing Capital Metro to drive positive messages and enhance its position in the community. The department establishes and implements Capital Metro's social media platforms, presenting user-friendly information through multiple channels for customers, stakeholders and employees.

## FY2017 Accomplishments

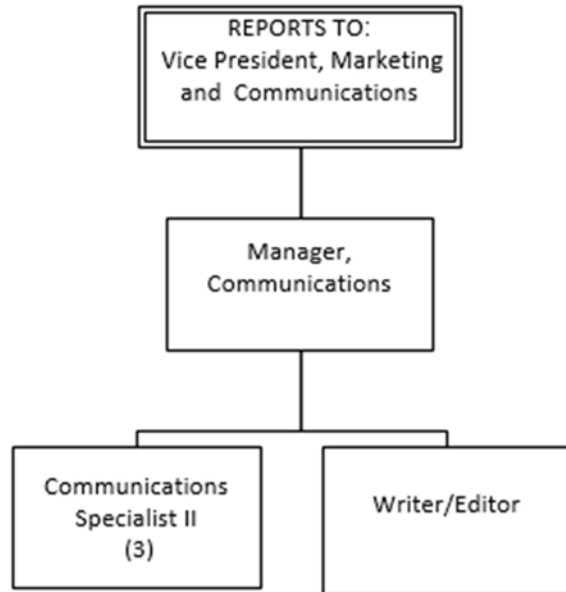
- ◆ Deliver the Best Possible Customer Experience
  - Implemented an enhanced social media content marketing strategy to effectively communicate with riders, the public and others through informative and engaging content. Actively promoted the agency's social media channels to attract new followers. Facebook followers increased 27 percent and Twitter followers 21 percent from the previous year.
  - Along with Marketing, Information Technology and others, re-launched the agency's new website and mobile site, and added additional mobile app customer tools, for a more integrated and user-friendly experience.
  - Provided communications, including website content, social media, media outreach and collateral support, about the elimination of the agency's Premium fare category.
- ◆ Demonstrate Regional Leadership
  - Provided communications support for the Project Connect regional transportation initiative, including website content, social media outreach, surveys, media outreach and public engagement collateral, for special events such as the Traffic Jam public engagement workshop.
  - Provided research, messaging and collateral support for outreach to state and federal legislators regarding agency initiatives and future plans.
  - Developed and issued an annual report to the community detailing the agency's financial health, accomplishments, services, initiatives and future plans.
  - Planned and executed the successful groundbreaking event to mark the beginning of construction of the 10-acre Plaza Saltillo District, one of the largest transit-oriented development in the region consisting of apartments, affordable housing, retail, office and public open space.

- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Created and distributed materials providing information to riders, the public and stakeholders about Capital Metro's services, initiatives, milestones and other newsworthy topics. The topics included Connections 2025, Downtown Station, Project Connect, Plaza Saltillo, Ticket Vending Machines, MetroRail improvements, Park & Ride expansion, High-Frequency Network, Pickup pilot service, autonomous vehicle demo and Transit Development Plans (TDPs) with outlying cities.
  - Continued enhanced outreach to regional and national media outlets through 39 news releases and other proactive communications to report progress and promote Capital Metro initiatives, milestones, accomplishments, awards and other news, resulting in television, radio, print and online media coverage.
  - Provided communications support, including collateral development, social media, media outreach and event support for 3 service changes (January, June and August).
  - Developed presentations, collateral and other materials for board members and executive staff for communications with customers, stakeholders, community partners, elected/state/federal officials and others.
  - Developed effective communications campaigns to promote riding Capital Metro as a convenient alternative to driving during special events, including South by Southwest (SXSW), the Austin City Limits festival, Formula 1, July 4, Halloween and New Year's Eve.
  - Provided communications support for the successful transition from credit card to cash-only on MetroRail ticket vending machines.
  - Leveraged solid working relationships, including participation in regular editorial board meetings, with local media outlets that resulted in increased television, radio, print and online coverage.
  - Delivered a range of communications to customers, media, stakeholders and others during crises and major service disruptions, resulting in the dissemination of accurate and timely information.
  - Managed public relations efforts for the record-setting Stuff the Bus food drive with Whole Foods Markets and the Capital Area Food Bank, with enough food collected to equal 180,000 meals, far exceeding the goal of 50,000 meals.
  - Managed the Austin Collective social media initiative, which resulted in 13 million social media impressions, 300,000 social media engagements, half a million video views and regional and national media coverage.
  - Streamlined crisis communications tactics by creating and implementing the Media Voicemail Line, reducing the number of media calls received during crises.

### **FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Continue implementation of an enhanced social media strategy to effectively communicate with customers, stakeholders, the public and others through informative and engaging content; actively promote Capital Metro's social media channels to attract new followers and influencers.
  
- ◆ Community
  - Continue informing customers, the public and others about Capital Metro's services, projects accomplishments and other newsworthy topics. Planned initiatives include MetroExpress service on MoPac, Project Connect, Downtown Station, Plaza Saltillo and Park & Ride expansion.
  - Provide proactive communications support, including collateral development, social media and media outreach and community event support for 3 service changes (January, June and August).
  - Continue developing effective presentations and other materials for board members and executive staff regarding agency projects, plans and initiatives of interest to customers, stakeholders, community partners, elected/state/federal officials, the public and others.
  - Continue developing and executing effective communications campaigns to promote riding Capital Metro as a convenient alternative to driving during major special events such as South by Southwest, the Austin City Limits festival and Formula 1, and holidays such as July 4, Halloween and New Year's Eve.
  - Develop and issue a comprehensive annual report to the community detailing the agency's financial health, accomplishments, services, projects and initiatives and future plans.

### Communications Department Organizational Chart







### Budget Changes

#### Labor and Benefits

Decrease of \$53,629 due to eliminating one position, partially offset by the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Decrease of \$27,004 in Consultation Fees resulting from the completion of projects and initiatives in FY2017 that will not require the same level of funding in FY2018.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$362,621	\$425,480	\$398,457	\$374,929	(\$50,551)	(11.9%)
Overtime - Administrative	165	-	-	-	-	0.0%
FICA-Admin	25,705	31,833	31,833	28,926	(2,907)	(9.1%)
State Unemployment-Admin	1,030	1,026	1,026	855	(171)	(16.7%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>389,521</b>	<b>458,339</b>	<b>431,316</b>	<b>404,710</b>	<b>(53,629)</b>	<b>(11.7%)</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	294,911	262,004	212,138	235,000	(27,004)	(10.3%)
Other Professional Fees	29,559	29,400	37,400	29,400	-	0.0%
Courier And Delivery Services	5	-	-	-	-	0.0%
Office Supplies	2,477	600	1,300	600	-	0.0%
Other Supplies	116	-	-	-	-	0.0%
Non Capital Equipment	4,026	-	-	-	-	0.0%
Telephone-Local	1,240	2,400	2,400	2,400	-	0.0%
Telephone-Long Distance	207	-	-	-	-	0.0%
Dues And Subscriptions	3,225	2,844	2,844	2,844	-	0.0%
Airfare - Transportation	734	2,250	2,250	2,250	-	0.0%
Travel - Per Diem	214	1,750	1,750	1,750	-	0.0%
Seminar, Conferences, Registration	845	5,985	5,985	5,985	-	0.0%
Lodging	1,594	3,250	3,250	3,250	-	0.0%
Other Miscellaneous Expenses	25	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>339,178</b>	<b>310,483</b>	<b>269,317</b>	<b>283,479</b>	<b>(27,004)</b>	<b>(8.7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$728,699</b>	<b>\$768,822</b>	<b>\$700,633</b>	<b>\$688,189</b>	<b>(\$80,633)</b>	<b>(10.5%)</b>

# Community Involvement

## Functions and Responsibilities

The Community Involvement department furthers the mission of Capital Metro and builds community trust by meaningfully engaging our community in agency decision-making, serving as the agency's primary liaison with community groups and organizations and managing several programs to facilitate community involvement with Capital Metro.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Actively engaged stakeholders and partner agencies in a soft launch of Project Connect.
  - Designed and executed a public workshop event for Project Connect that attracted more than 200 community members.
  - Conducted successful community engagement effort for Connections 2025 plan, including: 125 public meetings and engagement events; 10,101 community members engaged (3,601 in person); and 6,500 survey responses.
- ◆ Demonstrate Regional Leadership
  - Developed new and nurtured existing partnerships with peer agencies, municipalities, civic and professional organizations to enhance the agency's profile and reputation as a community leader. New partnerships were developed with the Long Center and the Sustainable Foods Center with this objective in mind.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Collaborated with the Austin Transportation Department's Austin Strategic Mobility Plan (ASMP) on community engagement strategy for Project Connect.
  - Successfully launched the Try Transit program, engaging 1,595 people via presentations, events and Transit Adventures.
  - Strengthened community relationships by collaborating with key stakeholders and organizations to gain support for Connections 2025, Project Connect, Plaza Saltillo and TDPs for suburban cities.
  - Participated in more than 500 meetings, briefings, pop-up events and community events.
  - Coordinated the 5th annual Stuff the Bus event in partnership with Whole Foods and the Capital Area Food Bank, which resulted in more than 180,000 meals provided to hungry people in our community, more than triple our goal of 50,000 and an increase of more than 200 percent over the previous year.

- Worked with board-appointed committees, AAC and CSAC, to enhance community dialogue and serve as a conduit between the community and the board of directors.
- Forged new partnerships with community pillar organizations like the Long Center and the Sustainable Foods Center.

### **FY2018 Planned Initiatives**

#### ◆ Customer Experience

- Proactively engage communities we serve to get meaningful public input on, and provide education about, construction of Downtown Station.
- Engage with and solicit feedback from a diverse cross-section of the community on Project Connect to inform the selection of and inspire support for a system of high-capacity transit projects in Central Texas.
- Provide in-person education to neighborhood groups affected by route changes prescribed in the Connections 2025 plan to facilitate a smooth transition to new service routes.

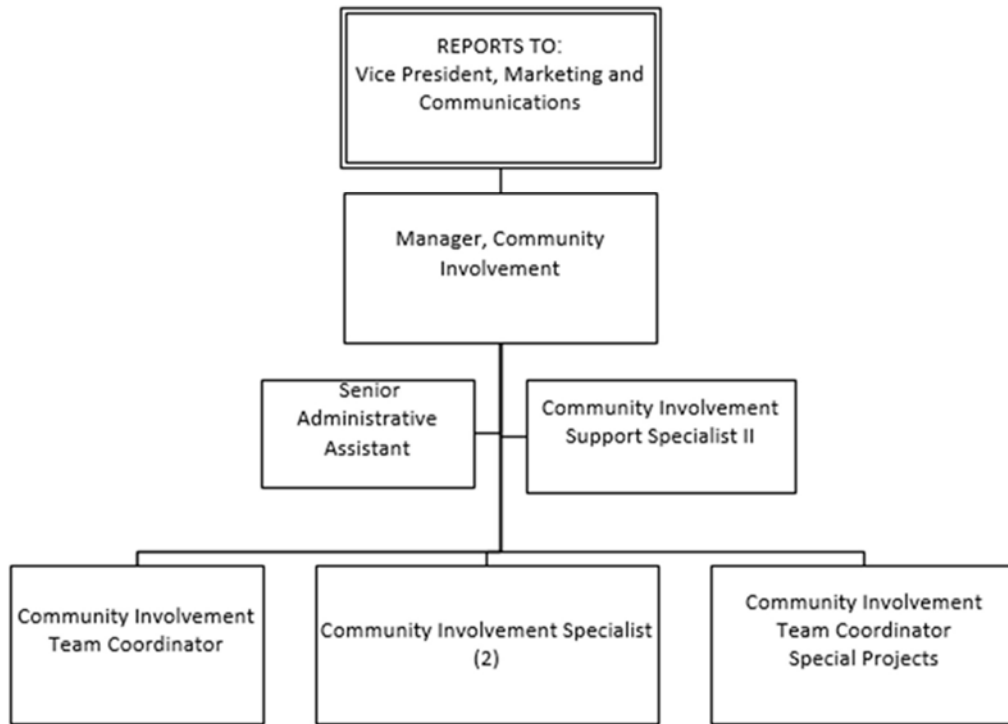
#### ◆ Ridership

- Continue partnership with the Austin Independent School District (AISD) and the city of Austin in Conversation Corps program to promote civic participation by training a corps of conversation hosts to broaden agency reach in community engagement initiatives.
- Develop partnerships with other highly-visible and respected community organizations to enhance agency credibility and reputation and build trust in the community.

#### ◆ Community

- Continue to promote the Try Transit program to increase ridership by finding innovative ways of engaging prospective riders and their communities.
- Develop an online “armchair planner” game in partnership with the *Austin Monitor* and Glass House Policy to educate the public on the trade-offs involved in high-capacity transit modes.

### Community Involvement Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$14,598 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Decrease of \$175,000 driven by the cancellation of a \$100,000 Bus Stop Redesign project budgeted in FY2017, as well as a reduction in sponsorships and partnerships.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$230,603	\$411,032	\$339,217	\$423,729	\$12,697	3.1%
Overtime - Administrative	1,885	6,228	6,228	6,228	-	0.0%
FICA-Admin	17,333	30,752	30,752	32,653	1,901	6.2%
State Unemployment-Admin	820	1,197	1,197	1,197	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>250,641</b>	<b>449,209</b>	<b>377,394</b>	<b>463,807</b>	<b>14,598</b>	<b>3.2%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	84,893	-	-	-	-	0.0%
Other Professional Fees	471,272	554,500	410,975	399,500	(155,000)	(28.0%)
Temporary Help	61,513	37,000	36,460	27,000	(10,000)	(27.0%)
Repair & Maintenance-Other	650	-	-	-	-	0.0%
Courier And Delivery Services	303	300	185	300	-	0.0%
Other Services	8,238	10,000	9,985	10,000	-	0.0%
Gasoline	350	1,500	1,327	1,500	-	0.0%
Office Supplies	2,914	15,000	13,924	15,000	-	0.0%
Other Supplies	12,640	15,000	2,625	15,000	-	0.0%
Non Capital Equipment	-	10,000	-	-	(10,000)	(100.0%)
Telephone-Local	880	4,800	4,320	4,800	-	0.0%
Gasoline Fuel Tax	15	100	100	100	-	0.0%
Dues And Subscriptions	5,754	20,025	10,225	20,025	-	0.0%
Airfare - Transportation	2,922	6,000	5,230	6,000	-	0.0%
Travel - Per Diem	1,960	2,100	1,722	2,100	-	0.0%
Seminar, Conferences, Registration	2,903	5,600	2,848	5,600	-	0.0%
Lodging	5,269	4,000	4,000	4,000	-	0.0%
Business Meals - Local	311	-	-	-	-	0.0%
Advertising/Promotion Media	250	-	-	-	-	0.0%
Postage	383	1,500	1,415	1,500	-	0.0%
Other Miscellaneous Expenses	14,444	10,000	8,758	10,000	-	0.0%
Food and Ice	1,342	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>679,207</b>	<b>697,425</b>	<b>514,099</b>	<b>522,425</b>	<b>(175,000)</b>	<b>(25.1%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$929,848</b>	<b>\$1,146,634</b>	<b>\$891,493</b>	<b>\$986,232</b>	<b>(\$160,402)</b>	<b>(14.0%)</b>

# Customer Service

## Functions and Responsibilities

The Customer Service department is comprised of 2 functions: Call Center and Transit Store. The Call Center provides telephone, email and web-assisted customer service by delivering accurate route and scheduling information, providing timely response and resolution to customer comments and educating the public on Capital Metro products and services. The Transit Store provides retail pass sales, reduced fare identification card issuance, lost and found services and assistance with general information and inquiries.

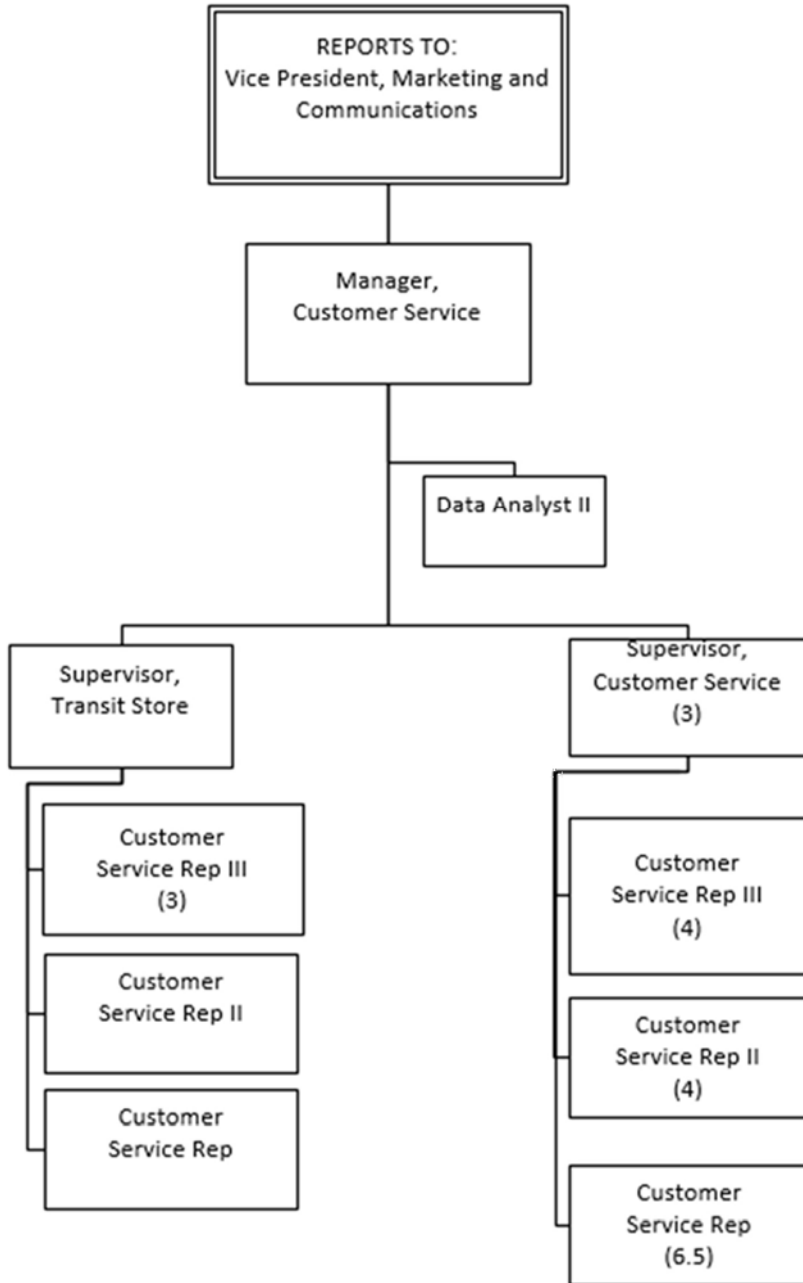
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - For the 12 months ended March 2017, we:
    - Answered 245,693 customer calls by live agents, representing a decrease of 22 percent compared to the prior 12 months.
    - Met the goal of answering 80 percent of calls within 60 seconds.
    - Processed 14,933 customer comment reports, down 7 percent compared to the prior 12 months.
    - Produced \$975,993 in sales; accumulated 17,969 sales receipts and sold 48,527 individual items (primarily passes) at the Transit Store.
  - Staffed the MetroRail station platforms during October to ease the customer transition of ticket vending machines away from credit card sales.
  - Successfully supported customers through dozens of service-impacting special events, detours and 3 service changes.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Answer a projected 268,000 calls with live agents.
  - Provide customer support for upgrades to the High-Frequency Route Service Network.

**Customer Service Department Organizational Chart**





### Budget Changes

#### Labor and Benefits

Net decrease of \$30,214 due to a net reduction of 0.5 FTE, partially offset by the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$187,697 driven by \$160,860 in Temporary Help that was in the FY2017 budget for additional staffing to educate and assist customers at rail stations when Capital Metro discontinued the acceptance of credit card transactions at ticket vending machines. The FY2017 budget also included \$15,600 in Computer Hardware for mobile point of sales stations for assisting customers at rail stations, which were not purchased.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,039,042	\$1,198,803	\$1,100,641	\$1,168,171	(\$30,632)	(2.6%)
Overtime - Administrative	41,515	71,913	71,913	71,913	-	0.0%
Salary & Wages - Temp	3,889	-	-	-	-	0.0%
FICA-Admin	79,968	89,690	89,690	90,023	333	0.4%
State Unemployment-Admin	4,229	4,532	4,532	4,617	85	1.9%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,168,644</b>	<b>1,364,938</b>	<b>1,266,776</b>	<b>1,334,724</b>	<b>(30,214)</b>	<b>(2.2%)</b>
<b>OTHER EXPENSES</b>						
Temporary Help	80,633	238,860	7,826	78,000	(160,860)	(67.3%)
Maintenance-Office Equipment	-	-	-	600	600	0.0%
Other Services	2,711	30,826	8,909	13,483	(17,343)	(56.3%)
Office Supplies	7,085	6,774	6,774	8,000	1,226	18.1%
Passes And Tickets	45	-	-	-	-	0.0%
Other Supplies	390	2,400	4,000	1,000	(1,400)	(58.3%)
Telephone-Local	960	1,680	960	960	(720)	(42.9%)
Travel - Per Diem	-	1,000	-	1,000	-	0.0%
Advertising/Promotion Media	-	12,000	12,000	18,000	6,000	50.0%
Postage	450	100	500	500	400	400.0%
Computer Hardware	-	15,600	-	-	(15,600)	(100.0%)
Other Miscellaneous Expenses	445	500	500	500	-	0.0%
Food and Ice	212	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>92,930</b>	<b>309,740</b>	<b>41,469</b>	<b>122,043</b>	<b>(187,697)</b>	<b>(60.6%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,261,574</b>	<b>\$1,674,678</b>	<b>\$1,308,245</b>	<b>\$1,456,767</b>	<b>(\$217,911)</b>	<b>(13.0%)</b>



## Executive Staff

### Functions and Responsibilities

The Executive Staff department provides leadership and direction to ensure that Capital Metro meets its mission, goals and objectives. Two key areas of focus are to direct and coordinate various initiatives to ensure quality standards for the organization and to identify initiatives for ongoing improvement to customer service. Additionally, Executive Staff ensures sound ethics and fiscal management consistent with federal, state and local laws and sound public practices, which emphasize the most effective use of taxpayer funds through the continuous improvement of Capital Metro's operations. Executive Staff ensures activities requiring involvement across the organization are properly coordinated and oversees the dissemination of information to ensure follow-through and timely communications with concerned stakeholders. This department serves as a liaison with the board of directors on policy issues.

### FY2017 Accomplishments

In 2017, we kept the rider at top of mind as we improved our customer experience with both new service and new customer amenities. A few of the highlights include the following: We adopted Connections 2025, which will increase frequency on several routes and expand the High-Frequency Network, allowing riders to have more time to get where they want to go and spend less time waiting. As well, we have improved accessibility at bus stops across the system for riders with disabilities. We have improved 97 percent of our stops and have fewer than 70 to renovate, and will complete this five-year process in 2017. We continued making updates to the award-winning CapMetro App with new trip planning tools, new interactive maps and other features that make riding easier than ever before. The agency completed construction to add 400 parking spaces to the Lakeline Station Park & Ride and began a project that will add more spaces to the Howard facility, which will make connecting to Capital Metro services easier for those who live outside of the core.

Nearly 150,000 people drive into Austin daily for work. As the region's transit provider, Capital Metro is committed to providing Central Texas with a truly comprehensive and connected system. We are working with neighboring communities to help map their transit futures, developing plans that will better connect cities like Buda, Hutto and Pflugerville to Austin. We reached agreements with the cities of Georgetown and Round Rock to receive public transit service, beginning in August. Partnerships with local, regional and state agencies will lead to Park & Ride facilities for both the MoPac and I-35 corridors.

Another major milestone was finalizing the agreement to redevelop 10 acres in East Austin and create the Plaza Saltillo District. The mixed-use, transit-oriented development will add 800 residential units, an 8-story office building and 110,000 square feet of retail space. The project kicked off in June with a successful groundbreaking ceremony that brought together the community, elected officials and our partners at Endeavor Real Estate.

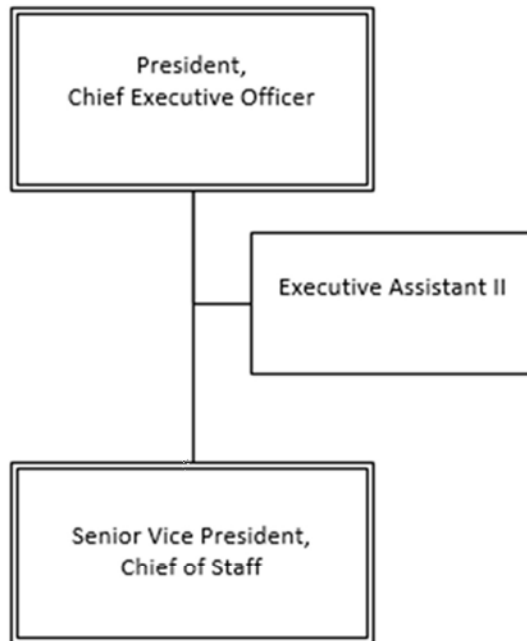
Because the Austin area continues to grow at such an impressive rate, the value of public transportation will only increase. It is important for Austin's future to have the best transit services possible and for Austinites to understand the services that are available to them. To help residents recognize the scope of our services, we have made sure to communicate with the public, the business community and our stakeholders regarding the progress of Capital Metro initiatives. A significant part of those efforts was briefing key community and business leaders, as well as elected officials throughout the region, on our goals and plans.

The backbone of Capital Metro is our staff, and one goal of the agency is to improve their work lives and provide professional development opportunities. Our resolute commitment is to provide a platform that allows our employees to perform at their best and develop throughout their careers.

### FY2018 Emphasis Areas

Because we are stewards of the public's money, Capital Metro's commitment to taxpayers to deliver high-quality and effective service requires strict financial discipline. Going forward, we will continue to improve the customer experience, work with our regional partners, communicate clearly and informatively with the public and make the agency a great place to work and advance a career. Our highest priority is to provide service that best meets the travel needs of our customers. To continue to do so well into the future, we will begin to implement recommendations from the Connections 2025 study, which will guide Capital Metro's service planning over the next 5 to 10 years, and develop the region's multi-modal transit vision with the Project Connect study.

### Executive Staff Department Organizational Chart





### Budget Changes

#### Labor and Benefits

No significant changes to this expense for FY2018.

#### Other Expenses

A decrease of \$20,000 is due to certain public relations expenses being moved to the Government Relations department.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$522,401	\$535,673	\$535,673	\$547,875	\$12,202	2.3%
Executive Compensation	-	41,934	41,934	41,934	-	0.0%
FICA-Admin	26,445	40,077	40,077	27,264	(12,813)	(32.0%)
401K	48,094	52,199	52,199	52,199	-	0.0%
State Unemployment-Admin	520	513	513	513	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>597,460</b>	<b>670,396</b>	<b>670,396</b>	<b>669,785</b>	<b>(611)</b>	<b>(0.1%)</b>
<b>OTHER EXPENSES</b>						
Office Supplies	1,996	3,000	3,000	3,000	-	0.0%
Telephone-Local	960	960	960	960	-	0.0%
Dues And Subscriptions	98,012	167,503	167,503	147,503	(20,000)	(11.9%)
Airfare - Transportation	5,006	5,625	5,625	5,625	-	0.0%
Travel - Per Diem	1,185	3,075	3,075	3,075	-	0.0%
Seminar, Conferences, Registration	5,459	9,600	9,600	9,600	-	0.0%
Lodging	4,668	5,900	5,900	5,900	-	0.0%
Travel - Other	30	600	600	600	-	0.0%
Postage	30	-	-	-	-	0.0%
Other Miscellaneous Expenses	970	6,000	6,000	6,000	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>118,315</b>	<b>202,263</b>	<b>202,263</b>	<b>182,263</b>	<b>(20,000)</b>	<b>(9.9%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$715,776</b>	<b>\$872,659</b>	<b>\$872,659</b>	<b>\$852,048</b>	<b>(\$20,611)</b>	<b>(2.4%)</b>

# Finance

## Functions and Responsibilities

The Finance department is responsible for monitoring Capital Metro's financial performance, recommending effective allocation of resources, ensuring accurate and timely accounting and reporting, processing timely payment of goods and services procured, developing and monitoring annual operating and capital budgets, administering federal grant programs, safeguarding assets and facilitating strategic financial planning.

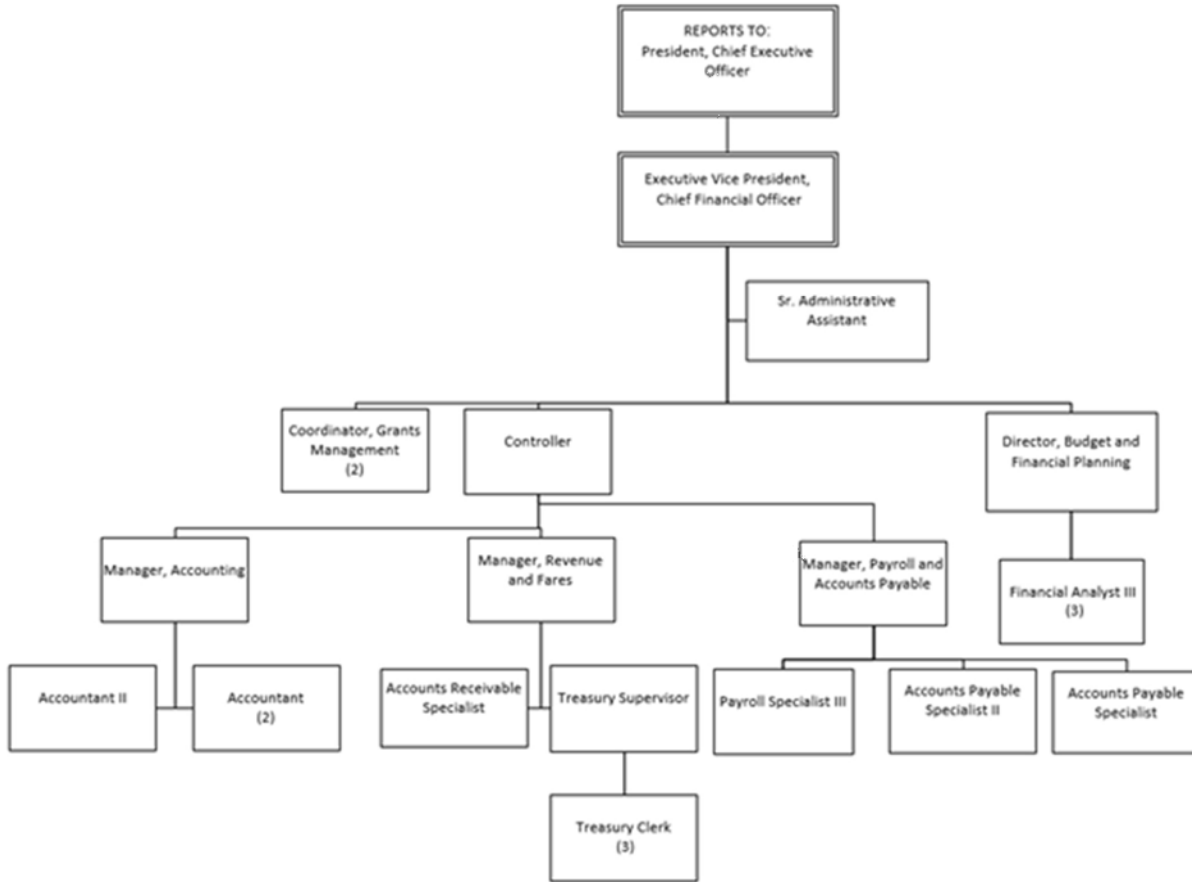
### FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Received the Government Finance Officers Association Distinguished Budget Presentation Award for the FY2017 budget document.
  - Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the FY2015 Comprehensive Annual Financial Report (CAFR). FY2016 CAFR has been completed, submitted and is currently under review.
  - Received an unmodified opinion from Capital Metro's independent accounting firm on the FY2016 financial statements and no single audit findings or internal control deficiencies were noted.
  - Completed a comprehensive long-range financial plan spanning FY2018 to FY2037.

### FY2018 Planned Initiatives

- ◆ Finance
  - Submit the FY2018 Budget Document to the Government Finance Officers Association for award consideration.
  - Submit the FY2017 Comprehensive Annual Financial Report to the Government Finance Officers Association for award consideration.
  - Receive an unmodified opinion from Capital Metro's independent accounting firm on the FY2017 financial statements and no single audit findings or internal control deficiencies.
  - Develop reporting and analysis of the key performance indicators for each transportation mode, in order to benchmark with other transit agencies to improve processes, reduce costs and increase revenue.
  - Update the long-range financial plan to prioritize the agency's operating and capital expenditure and plan for strategic initiatives.
  - Report and monitor ridership, revenue and costs of the agency's interlocal agreements.
  - Seek additional funding opportunities that are aligned with the agency's objectives.

### Finance Department Organizational Chart



### Budget Changes

#### Labor and Benefits

Net increase of \$11,753 due to the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net increase of \$2,166,110 due primarily to the increase of \$2,200,000 in Contingency Reserve to establish beginning balance of \$3,000,000 consistent with reserves and contingencies policy. A decrease of \$63,890 in long-term interest expense related to the amortization of payment of long-term debt.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,477,760	\$1,726,544	\$1,567,736	\$1,746,382	\$19,838	1.1%
Overtime - Administrative	7,378	3,000	3,000	3,000	-	0.0%
Salary & Wages - Temp	-	-	4,073	-	-	0.0%
FICA-Admin	103,293	131,980	131,980	129,396	(2,584)	(2.0%)
401K	5,500	5,500	460	-	(5,500)	(100.0%)
State Unemployment-Admin	4,039	3,934	3,934	3,933	(1)	(0.0%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,597,969</b>	<b>1,870,958</b>	<b>1,711,183</b>	<b>1,882,711</b>	<b>11,753</b>	<b>0.6%</b>
<b>OTHER EXPENSES</b>						
Audit Fees	190,112	250,000	225,000	250,000	-	0.0%
Consultation Fees	24,750	-	16,250	-	-	0.0%
Other Professional Fees	187,377	252,900	242,900	242,900	(10,000)	(4.0%)
Permits And Fees	170	-	-	-	-	0.0%
Temporary Help	48,574	-	78,448	-	-	0.0%
Repair & Maintenance-Other	1,375	-	1,000	-	-	0.0%
Courier And Delivery Services	25,014	24,000	27,300	28,000	4,000	16.7%
Other Services	350,000	-	-	-	-	0.0%
Gasoline	436	1,000	2,500	1,000	-	0.0%
Office Supplies	15,576	12,000	12,000	12,000	-	0.0%
Passes And Tickets	108,092	153,000	153,000	153,000	-	0.0%
Other Supplies	7,312	8,000	8,000	8,000	-	0.0%
Non Capital Equipment	3,373	-	943	-	-	0.0%
Telephone-Local	480	500	500	500	-	0.0%
Gasoline Fuel Tax	6	-	-	-	-	0.0%
Dues And Subscriptions	3,975	4,900	3,524	6,000	1,100	22.4%
Airfare - Transportation	1,769	5,500	1,244	5,500	-	0.0%
Travel - Per Diem	697	2,100	350	4,000	1,900	90.5%
Seminar, Conferences, Registration	4,149	11,800	5,339	11,800	-	0.0%
Lodging	1,420	4,500	1,314	7,000	2,500	55.6%
Travel - Other	830	1,500	1,500	1,500	-	0.0%
Bad Debt Expense	(562)	-	-	-	-	0.0%
Contingency Reserve	-	800,000	800,000	3,000,000	2,200,000	275.0%
Postage	3,715	5,000	5,000	5,000	-	0.0%
Bank Charges	257,400	277,000	292,784	307,500	30,500	11.0%
Other Miscellaneous Expenses	45	-	-	-	-	0.0%
Food and Ice	500	-	-	-	-	0.0%
Capital Expense - Non Labor	-	35,000	37,037	35,000	-	0.0%
Interest Expense Long Term	-	269,000	248,056	205,110	(63,890)	(23.8%)
Interest Expense	289,976	-	-	-	-	0.0%
Extraordinary Items	(78,744)	-	-	-	-	0.0%
Asset Disposal Exp And Admin Fees	5,852	-	4,129	-	-	0.0%
Suburban Comm - Manor	44,347	-	-	-	-	0.0%
Suburban Comm - Lago Vista	42,244	-	-	-	-	0.0%
Suburban Comm - San Leanna	14,054	-	-	-	-	0.0%
Suburban Comm - Point Venture	14,689	-	-	-	-	0.0%
Suburban Comm - Volente	30,000	-	-	-	-	0.0%
Suburban Comm - Jonestown	35,088	-	-	-	-	0.0%
1/4 Cent Sales Tax Posts	931,624	-	-	-	-	0.0%
Grant Reimbursement Expense	777,657	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>3,343,372</b>	<b>2,117,700</b>	<b>2,168,118</b>	<b>4,283,810</b>	<b>2,166,110</b>	<b>102.3%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$4,941,341</b>	<b>\$3,988,658</b>	<b>\$3,879,301</b>	<b>\$6,166,521</b>	<b>\$2,177,863</b>	<b>54.6%</b>

# Government Relations and Compliance

## Functions and Responsibilities

The purpose of the Government Relations and Compliance department is to develop relationships with local, state and federal elected officials and community leaders and to research and develop legislative strategies and policies relevant to the agency's interest. The purpose of the Office of Diversity is to manage, coordinate and implement federal civil rights programs: Disadvantaged Business Enterprise (DBE), Title VI of the Civil Rights Act of 1964 and Equal Employment Opportunity (EEO) in accordance with federal regulations as well as to provide technical assistance to stakeholders.

### FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Continued working with Operations to identify funding that will improve the operations of bus and rail, making service more accessible and reliable.
  - Continued working with our Congressional leadership on initiatives for additional transit funding.
  - Continued to monitor and administer our discount program by providing customer support to the programs beneficiaries.
  - Provided annual Title VI training to service operators to improve awareness of customer rights among bus operators and to avoid discrimination complaints.
  - Implemented new discount program policies and procedures.
- ◆ Demonstrate Regional Leadership
  - Coordinated with the planning department to increase transit planning in the urbanized area outside the Capital Metro service area.
  - Partnered with minority chambers of commerce in outreach to DBEs, Small Businesses Enterprises (SBEs) and Historically Underutilized Businesses (HUBs) in the region to take part in Capital Metro's initiatives.
  - Increased overall outreach to small businesses.

- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Used opportunities provided by Project Connect to educate partner agencies and elected officials throughout the region about the benefits of transit.
  - Developed relationships with newly elected or appointed officials to provide information on the value of transit.
  - Developed report to demonstrate the impact of Capital Metro services on our riders and the regional economy.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Continued the transition from MAP-21 transportation funding and regulations to the new FAST Act requirements.
  - Partnered with the delegation to maximize the effectiveness of required audits.
  - Continued to work with the federal delegation and FRA on Positive Train Control (PTC) implementation.
  - Developed 2017-2019 DBE goal methodology.
  - Organized primetime networking events.
  - Monitored Title VI program compliance and EEO program compliance.
  - Enhanced Employee Cultural Awareness Initiatives.
  - Revised DBE program and procurement exhibits.
  - Worked with state delegation on legislative initiatives to streamline budgeting processes that would allow use of public funds more efficiently and effectively.

#### **FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Continue working with Operations to identify grant funding that will improve the operations of bus and rail, making service more accessible and reliable.
  - Continue to monitor and administer the discount program by providing customer support to the program's beneficiaries.
  - Continue to provide Title VI training to operators.



◆ Ridership

- Continue to work with other transportation related organizations and elected leaders to plan for innovative solutions to address congestion and service issues.
- Partner with minority chambers of commerce in outreach to DBEs, SBEs and HUBs in the region to take part in Capital Metro's initiatives.
- Continue outreach to small businesses.

◆ Community

- Continue to use opportunities through Project Connect to educate partner agencies and elected officials throughout the region about the benefits of transit.
- Develop relationships with newly elected or appointed officials and brief them on the value of transit in the region.
- Distribute and publicize the economic impact of Capital Metro.
- Continue to provide regular updates on Capital Metro to local, state and federal elected officials.
- Identify opportunities for delegation members to participate in Capital Metro events.

◆ Human Capital

- Continue to work with Operations and Finance to identify FAST Act best practices to enhance organizational development.
- Monitor DBE Program and achieve the new goal approved for FY2017-FY2019.
- Organize primetime networking events.
- Monitor Title VI a compliance and EEO program compliance.
- Enhance employee cultural awareness initiatives.
- Revise limited English proficiency (LEP) plan.
- Provide equal employment opportunity (EEO) training to employees

### Government Relations and Compliance Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$7,185 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$24,688 driven by a \$45,496 reduction in public relations contracts, partially offset by a \$22,000 increase in Other Services for a Value of Transit campaign.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$281,552	\$306,340	\$309,164	\$313,979	\$7,639	2.5%
FICA-Admin	19,545	22,949	22,949	24,195	1,246	5.4%
State Unemployment-Admin	684	684	684	684	-	0.0%
Automobile	-	1,700	-	-	(1,700)	(100.0%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>301,781</b>	<b>331,673</b>	<b>332,797</b>	<b>338,858</b>	<b>7,185</b>	<b>2.2%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	574,407	410,496	485,000	365,000	(45,496)	(11.1%)
Other Professional Fees	2,650	550	3,000	-	(550)	(100.0%)
Courier And Delivery Services	-	200	200	800	600	300.0%
Other Services	600	350,000	350,000	372,000	22,000	6.3%
Office Supplies	2,235	11,000	5,000	2,500	(8,500)	(77.3%)
Telephone-Local	480	1,440	1,440	2,160	720	50.0%
Dues And Subscriptions	54,940	83,600	80,000	82,290	(1,310)	(1.6%)
Airfare - Transportation	3,287	6,950	5,000	8,600	1,650	23.7%
Travel - Per Diem	3,122	5,300	5,000	3,650	(1,650)	(31.1%)
Seminar, Conferences, Registration	6,012	8,550	10,000	11,930	3,380	39.5%
Lodging	7,377	8,720	8,720	8,400	(320)	(3.7%)
Travel - Other	197	300	300	-	(300)	(100.0%)
Postage	311	600	600	1,000	400	66.7%
Other Miscellaneous Expenses	14,835	18,000	18,000	22,688	4,688	26.0%
<b>TOTAL OTHER EXPENSES</b>	<b>670,451</b>	<b>905,706</b>	<b>972,260</b>	<b>881,018</b>	<b>(24,688)</b>	<b>(2.7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$972,233</b>	<b>\$1,237,379</b>	<b>\$1,305,057</b>	<b>\$1,219,876</b>	<b>(\$17,503)</b>	<b>(1.4%)</b>

# Human Resources

## Functions and Responsibilities

The Human Resources department's mission is to recruit, attract, retain, develop, motivate and reward a diverse, high-performing and top-quality workforce. The department's primary responsibilities are to: facilitate staffing strategies required to meet Capital Metro departments' needs; manage benefits programs to meet employee needs; administer compensation and performance management programs; coordinate staff development and training programs to enhance employees' knowledge, skills and abilities; develop and deliver leadership training (Leaders in Motion) and succession planning program (Leaders en Route); develop and administer human resources policies and procedures to comply with federal, state and local regulations.

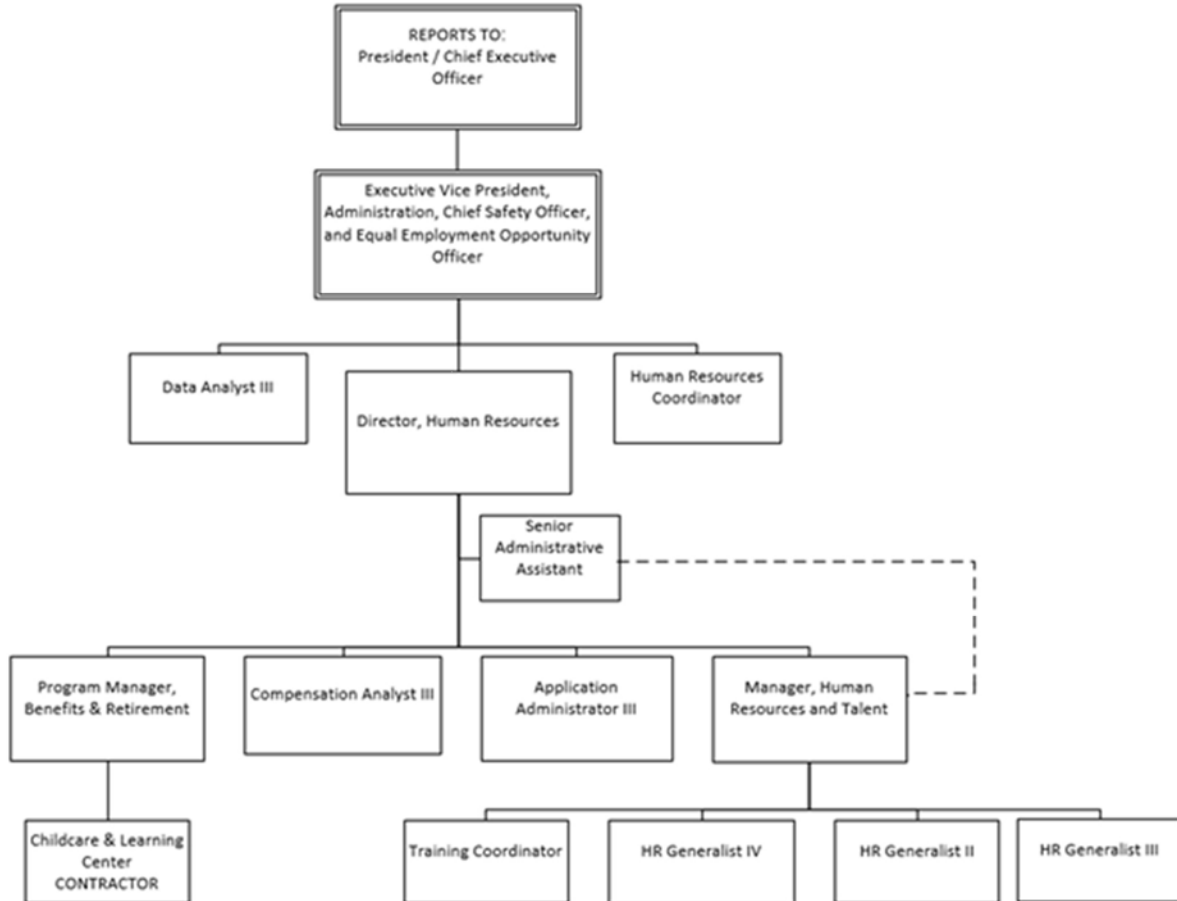
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Continued customer service training to Capital Metro employees as part of Leaders in Motion.
  - Continued to work with Bus and Paratransit Services in developing guidelines for service providers on customer service training initiatives.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Encouraged the use of in-network medical providers, which offer larger discounts, with major increases in deductibles and coinsurance for out-of-network providers. In-network changes were made to prepare the agency for the Affordable Care Act Cadillac Tax, which was to be implemented in 2020 but has now been moved to 2025.
  - Completed study of Capital Metro's positions regarding changes to the exemption rules for possible changes to exempt/nonexempt status on paraprofessional jobs.
  - Continued with the Leaders in Motion program to include 1 new cohort for management and 4 cohorts for individual contributors.
  - Delivered 2 quarterly courses/curricula for Leaders in Motion graduates for continued training.
  - Completed study on succession planning with recommendations for an employee enrichment program. Program implementation has begun and will continue over the next 2 fiscal years, to include branding, mentoring, career path development and knowledge center development.
  - Continued employee communications programs to address employee questions on agency matters.
  - Capital Metro was awarded WorldatWork 2017 Seal of Distinction which is a unique mark of excellence designed to identify organizations with a strong total rewards portfolio that delivers a positive workforce experience.

### **FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Work with the Bus and Paratransit departments on customer service training for service provider employees.
- ◆ Human Capital
  - Continue with the Leaders in Motion program to include up to 4 cohorts for individual contributors.
  - Continue design and delivery of Leaders en Route employee enrichment.
  - Enhance employees' performance and skills sets with additional training opportunities.
  - Research and implement effective technology infrastructure to support Board, staff, and ensure the successful completion of organizational goals
  - Review past programs, meet with focus groups and develop recommendations for implementing reward/recognition programs.
  - Communicate and work with managers to promote existing employee recognition and team building programs.
  - Implement changes resulting from a salary structure study to ensure compensation is competitive in external marketplace.
  - Develop and implement a Capital Metropolitan Transit Authority employer branding campaign.
  - Review recruiting processes for changes to improve processes as part of branding.
  - Develop and implement revised hiring processes to reduce hiring time.
  - Continue employee communications programs to address employee questions on agency matters.
  - Work with Communications department to implement an agency-wide communications program that includes employee newsletter.
  - Research electronic messaging system for all locations.
- ◆ Finance
  - Update the Alternative Work Schedule Policy and develop training for managers and employees on effective telework management.

### Human Resources Department Organizational Chart





## Budget Changes

### Labor and Benefits

Net increase of \$105,973 is due to 1 full-time equivalent added mid-year in FY2017 as well as the approved performance-based pay increases to become effective in January 2018.

### Other Expenses

Increase of \$127,044 due primarily to \$126,150 in Consultation Fees. The primary driver in that category is Leaders en Route, a succession planning and leadership training program.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$840,680	\$1,036,081	\$1,032,787	\$1,145,685	\$109,604	10.6%
Overtime - Administrative	2,116	-	-	-	-	0.0%
FICA-Admin	67,708	77,628	79,546	84,326	6,698	8.6%
State Unemployment-Admin	2,095	2,052	2,060	2,223	171	8.3%
Housing	10,505	4,500	10,000	4,500	-	0.0%
Relocation Reimb.	35,988	25,500	10,000	15,000	(10,500)	(41.2%)
Tuition Reimbursement	12,727	25,000	25,000	25,000	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>971,820</b>	<b>1,170,761</b>	<b>1,159,393</b>	<b>1,276,734</b>	<b>105,973</b>	<b>9.1%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	245,012	427,500	427,500	553,650	126,150	29.5%
Technical Services	11,315	8,640	8,640	9,500	860	10.0%
Other Professional Fees	10,471	57,700	57,700	20,000	(37,700)	(65.3%)
Temporary Help	73,453	-	-	-	-	0.0%
Other Services	34	500	500	500	-	0.0%
Office Supplies	15,602	13,000	13,000	13,000	-	0.0%
Other Supplies	1,573	2,750	2,750	2,750	-	0.0%
Telephone-Local	960	1,920	1,920	1,920	-	0.0%
Dues And Subscriptions	7,344	7,365	7,365	9,345	1,980	26.9%
Airfare - Transportation	9,399	4,000	9,000	9,000	5,000	125.0%
Travel - Per Diem	1,910	1,783	1,783	2,903	1,120	62.8%
Seminar, Conferences, Registration	9,510	10,630	10,630	15,630	5,000	47.0%
Lodging	2,978	3,750	3,750	8,584	4,834	128.9%
Travel - Other	144	-	-	200	200	0.0%
Business Meals - Local	951	-	-	1,100	1,100	0.0%
Newspaper Media	4,047	4,200	4,200	4,200	-	0.0%
Postage	359	600	600	600	-	0.0%
Other Miscellaneous Expenses	67	-	-	-	-	0.0%
Food and Ice	85	-	-	500	500	0.0%
Recognition Program	6,097	10,000	10,000	15,000	5,000	50.0%
Cost Savings	82	-	-	-	-	0.0%
Office Equipment	-	-	-	13,000	13,000	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>401,391</b>	<b>554,338</b>	<b>559,338</b>	<b>681,382</b>	<b>127,044</b>	<b>22.9%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,373,211</b>	<b>\$1,725,099</b>	<b>\$1,718,731</b>	<b>\$1,958,116</b>	<b>\$233,017</b>	<b>13.5%</b>

# Information Technology

## Functions and Responsibilities

The Information Technology (IT) department provides strategic planning and implementation of all technology projects and ensures the integrity, availability, reliability and security of all Capital Metro systems. In addition, the IT department is responsible for procurement, installation and day-to-day, 24/7 support of all installed hardware, software, data and communications networks.

## FY2017 Accomplishments

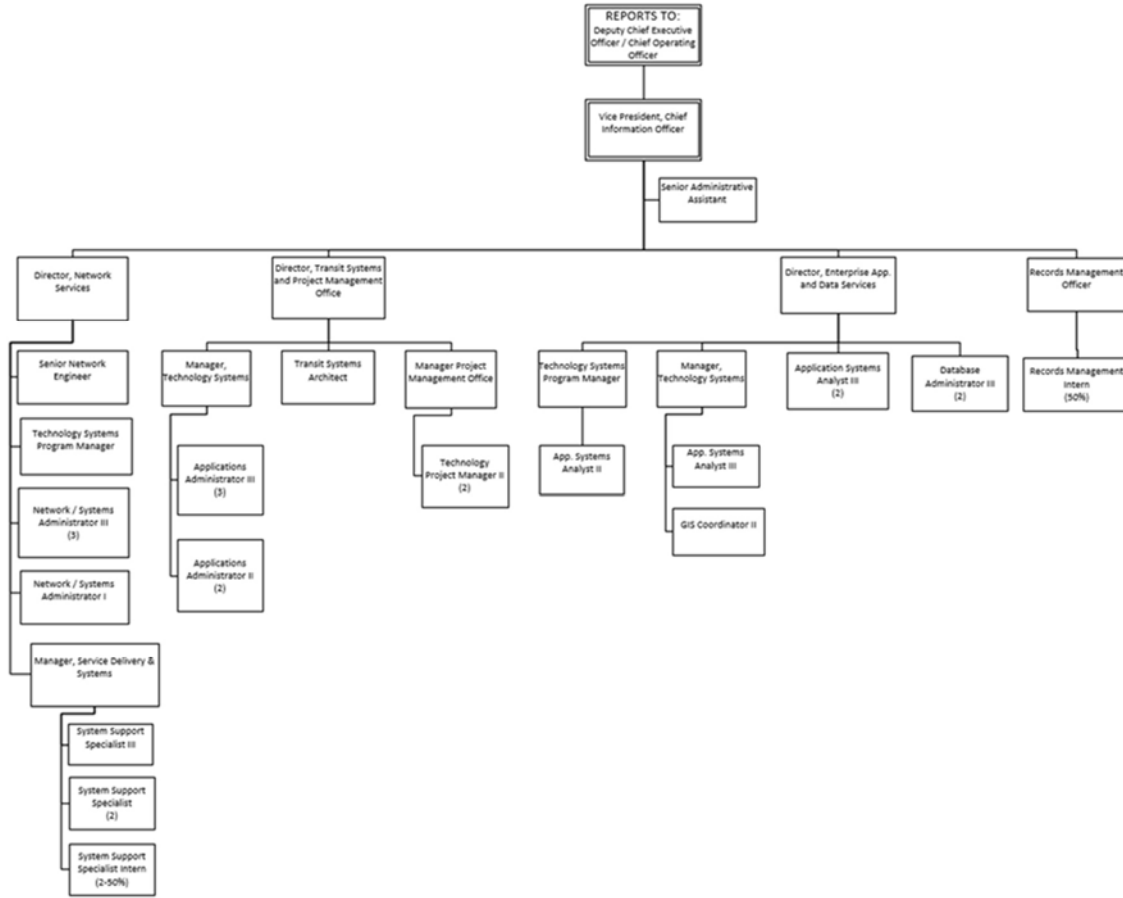
- ◆ Deliver the Best Possible Customer Experience
  - Launched new website featuring new traveler tools and responsive device design.
  - Implemented Wi-Fi hot spots at MetroRail and MetroRapid stations.
  - Upgraded computer network components increasing reliability and security.
  - Upgraded stop/station quick response (QR) codes for texting more accurate and reliable real-time information.
  - Upgraded MetroRapid mobile data terminal to show real-time differences between vehicles.
  - Separated vehicle data and voice channels to better maintain communications.
  - Created auto vehicle location view of security vehicles reducing emergency response times.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Demonstrated fully autonomous mini-bus shuttles.
  - Began pilot of new technology for transit-on-demand supporting Capital Metro's Pickup service.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Implemented improvements to our financial system including travel and expense accounting, various management reports and additional financial audit tools.



**FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Upgrade Transit Scheduling System to improve capabilities and reliability.
  - Begin implementation of new data center modernization to provide additional capacity and maintain state of good repair.
  - Increase the refresh of real-time information for both dispatch and customer traveler tools.
  - Upgrade farebox software to improve reliability, flexibility and extend life.
  - Begin Fare Collection Phase 1 procurement to collect fares across all media types, including mobile tickets, smartcards and magnetic cards.
- ◆ Community
  - Pilot community-focused, multi-function smart kiosks at selected stations.
  - Upgrade the business partnership module of mobile ticketing so that businesses can electronically purchase mobile and physical passes, and manage accounts independently.
  - Implement multi-modal trip planning integrating Capital Metro bus and rail services with bike share, car share and ride share options supporting 'first and last mile' access.
  - Add new fare payment methods in Capital Metropolitan Transit Authority App for Apple, Samsung, Google Pay.
- ◆ Human Capital
  - Implement new boardroom audio-visual system improving internal and public communications.
  - Launch new intranet to improve internal communications.
- ◆ Finance
  - Implement a new real estate system to improve the management of properties and leases.
  - Begin implementation of a new enterprise asset management system replacing an obsolete legacy system to provide improved functionality.
  - Upgrade the Capital Metropolitan Transit Authority App fare evasion module to accommodate the management of administrative citations.

### Information Technology Department Organizational Chart





## **Budget Changes**

### **Labor and Benefits**

Increase of \$121,778 due to the approved performance-based pay increases to become effective in January 2018.

### **Other Expense**

Net increase of \$1,167,241 is driven by various expense categories. The \$400,000 increase in Other Professional Fees is related to the service implementation of various new software including SharePoint, Advisicon and other legacy systems. The \$105,000 increase to Phone System Maintenance is a one-time cost related to upgrading the telephone system to utilize an Interactive Voice Response (IVR) system as well as maintain the emergency call boxes. The \$131,800 increase in Hardware Maintenance Contracts is related to the addition of Cisco Smartnet, system-wide routers and a Hewlett-Packard datacenter. The \$104,088 increase in Telephone-Local expense is related to improvements for the cellular communications devices for vehicles and rail stations. The \$515,950 increase to Computer Software is related to multiple software implementations enterprise-wide including: Traveler Tools, Trapeze integration, Net Security, real estate systems, succession planning, budget book financial software and others.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$3,488,650	\$3,654,313	\$3,548,883	\$3,781,282	\$126,969	3.5%
Overtime - Administrative	1,703	-	-	-	-	0.0%
Salary & Wages - Temp	32,676	-	-	-	-	0.0%
Intern Pay	31,613	-	-	-	-	0.0%
FICA-Admin	260,566	284,346	284,346	278,984	(5,362)	(1.9%)
State Unemployment-Admin	6,662	6,327	6,327	6,498	171	2.7%
Other Benefits - Admin	(200)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>3,821,670</b>	<b>3,944,986</b>	<b>3,839,556</b>	<b>4,066,764</b>	<b>121,778</b>	<b>3.1%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	10,945	97,700	30,000	497,700	400,000	409.4%
Temporary Help	-	50,000	130,000	-	(50,000)	(100.0%)
Phone System Maintenance	305,779	299,000	299,000	404,000	105,000	35.1%
Hardware Maintenance Contracts	393,148	239,150	239,150	370,950	131,800	55.1%
Software Maintenance Contracts	1,639,824	2,312,891	2,289,800	2,313,294	403	0.0%
Other Services	13,559	26,000	26,000	26,000	-	0.0%
Gasoline	673	-	-	-	-	0.0%
Office Supplies	7,723	8,580	8,580	8,580	-	0.0%
Training Materials	63	-	-	-	-	0.0%
Other Supplies	595	-	-	-	-	0.0%
Non-Capital Projects	721,752	-	-	-	-	0.0%
Telephone-Local	764,540	945,000	945,000	1,049,088	104,088	11.0%
Telephone-Long Distance	-	1,200	1,200	1,200	-	0.0%
Dues And Subscriptions	6,482	2,400	2,400	2,400	-	0.0%
Airfare - Transportation	6,854	4,800	4,800	4,800	-	0.0%
Travel - Per Diem	3,339	2,025	2,025	2,025	-	0.0%
Seminar, Conferences, Registration	33,284	54,200	50,000	54,200	-	0.0%
Lodging	11,303	5,900	5,900	5,900	-	0.0%
Travel - Other	622	-	-	-	-	0.0%
Postage	45	-	-	-	-	0.0%
Computer Software	662,016	928,400	928,400	1,444,350	515,950	55.6%
Computer Hardware	53,471	190,000	190,000	150,000	(40,000)	(21.1%)
Other Miscellaneous Expenses	2,752	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>4,638,767</b>	<b>5,167,246</b>	<b>5,152,255</b>	<b>6,334,487</b>	<b>1,167,241</b>	<b>22.6%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,460,437</b>	<b>\$9,112,232</b>	<b>\$8,991,811</b>	<b>\$10,401,251</b>	<b>\$1,289,019</b>	<b>14.1%</b>

# Internal Audit

## Functions and Responsibilities

The Internal Audit department reports directly to the board of directors and is an independent and objective source of advice, consulting and assurance services. Internal Audit provides assurance on Capital Metro's governance, risk management and control processes to help the organization achieve its strategic, operational, financial and compliance objectives. In addition, Internal Audit is a catalyst for improving effectiveness and efficiency by providing insight and recommendations based on a systematic analysis and assessment of data and business processes. Internal Audit also shares best practices and suggests ways for reducing costs and enhancing revenues.

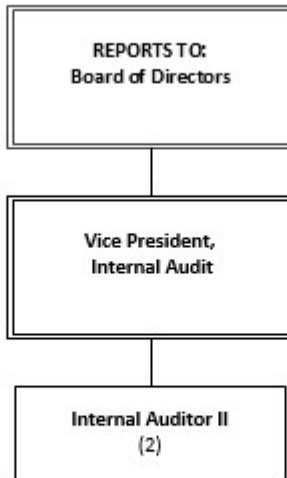
## FY2017 Accomplishments

- ◆ Demonstrate Regional Leadership
  - Internal Audit Team members held leadership roles in the Austin chapter of the Institute of Internal Auditors.
  
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Performed organization-wide risk assessment and used results to create the FY2017-2018 Internal Audit Services Plan.
  - Completed or initiated 6 comprehensive performance and financial-related audits from the approved FY2017 Internal Audit Services Plan.
  - Continued to provide advisory and consulting services, including a review of the social media policy.
  - Team members participated as non-voting members on various management committees as well as procurements.
  - Performed 2 comprehensive biannual status updates, which assessed implementation status of corrective action plans for outstanding internal audits.
  - Co-developed and coordinated annual ethics and fraud prevention training sessions to all Capital Metro employees in cooperation with Legal and Human Resources.
  - Worked with Government Relations on the project oversight for the statutorily-required Quadrennial Review.
  - Assessed the Internal Audit department's operational effectiveness and compliance with professional auditing standards by having an External Quality Assurance Review.

### FY2018 Planned Initiatives

- ◆ Human Capital
  - Provide leadership and assist with promoting or participating in professional organizations and participating on the planning committee for Southern Regional Institute of Internal Auditors Conference.
  - Share best practices and assist, as needed, peer transit internal audit functions.
- ◆ Finance
  - Perform audits from the FY2017-2018 Internal Audit Services Plan. Assist management by assessing operational and business risks and focusing internal audit resources in the most cost effective and efficient manner.
  - Provide proactive advisory, consulting and risk management services to management and the board, including providing input on the implementation of an Enterprise Risk Management program.
  - Provide project oversight for the department-wide 2018 FTA Triennial Review.

### Internal Audit Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$4,092 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Decrease of \$67,544 due to no planned external audit support needed in FY2018.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$243,105	\$312,455	\$226,365	\$318,088	\$5,633	1.8%
FICA-Admin	20,302	23,377	23,377	21,836	(1,541)	(6.6%)
State Unemployment-Admin	513	513	513	513	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>263,921</b>	<b>336,345</b>	<b>250,255</b>	<b>340,437</b>	<b>4,092</b>	<b>1.2%</b>
<b>OTHER EXPENSES</b>						
Audit Fees	-	67,000	8,400	-	(67,000)	(100.0%)
Office Supplies	167	420	420	420	-	0.0%
Non Capital Equipment	470	-	-	-	-	0.0%
Dues And Subscriptions	2,062	2,500	1,355	2,500	-	0.0%
Airfare - Transportation	-	800	800	800	-	0.0%
Travel - Per Diem	-	360	360	360	-	0.0%
Seminar, Conferences, Registration	3,157	6,100	3,055	6,100	-	0.0%
Lodging	-	400	400	400	-	0.0%
Travel - Other	69	544	544	-	(544)	(100.0%)
<b>TOTAL OTHER EXPENSES</b>	<b>5,925</b>	<b>78,124</b>	<b>15,334</b>	<b>10,580</b>	<b>(67,544)</b>	<b>(86.5%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$269,846</b>	<b>\$414,469</b>	<b>\$265,589</b>	<b>\$351,017</b>	<b>(\$63,452)</b>	<b>(15.3%)</b>

## Legal

### Functions and Responsibilities

The Legal department ensures that Capital Metro conducts its activities ethically and consistently with federal and state laws, providing sound legal advice and reducing the risk of legal action. The Legal department provides legal support on applicable federal, state and local laws; ensures compliance with the Texas Public Information Act, Open Meetings Act and State Records Retention Act; monitors and enhances Capital Metro's ethics program to help ensure responsible stewardship of public funds; and manages outside legal services.

### FY2017 Accomplishments

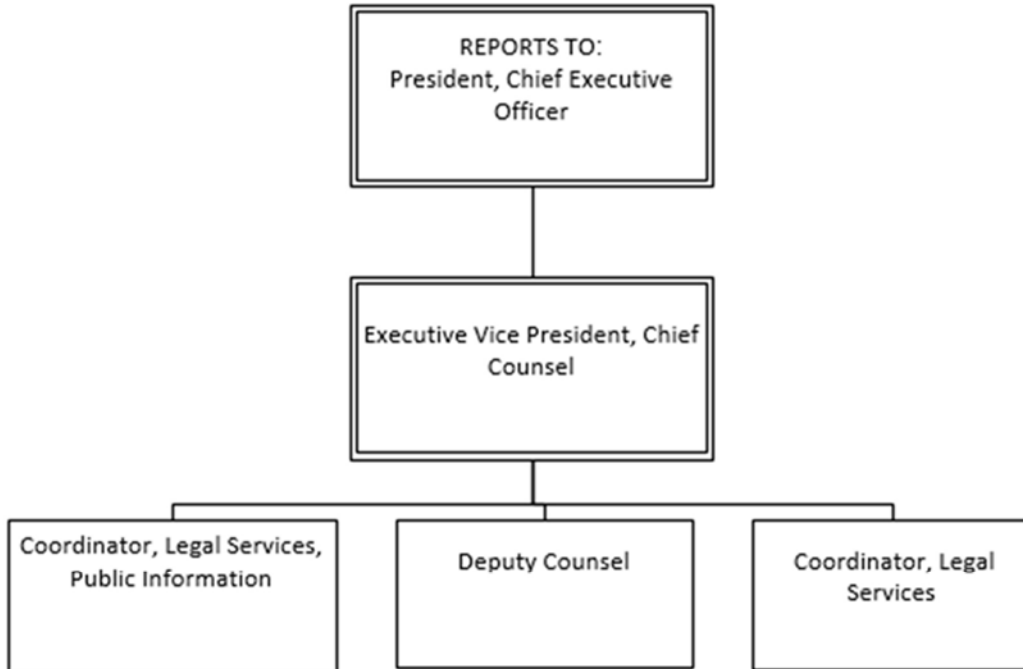
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Identified and implemented best practices in litigation and outside counsel management through application of lessons learned on current outside legal counsel contracts in the new solicitation for services such as billing controls.
  - Developed and delivered staff training and guidance on legal and ethical issues, including annual ethics training for all employees and staff training related to legal issues in complex IT contracts.
  - Ensured the Authority meets its legal obligations associated with transparency and public information through the fulfillment of Public Information Act requests in a timely and accurate manner and delivered user training and guidance on compliance with the law.
  - Continued to develop and implement processes and strategies for reducing legal risk and exposure by finalizing and executing an agreement for the development of the Plaza Saltillo property, revising relevant agency policies for legal compliance and advising staff regarding application of policies.
  - Continued to review and updated contracting and procurement documents to ensure legal compliance, best value and best practices including a review and update of all the Authority's contract boilerplate documents as called for in the Strategic Plan and development and implementation of a process and related documents for design-build procurements.
  - Completed comprehensive review and update of contracts boilerplate.

### FY2018 Planned Initiatives

- ◆ Finance
  - Identify and implement best practices in litigation and outside counsel management.
  - Develop and deliver staff training and guidance on legal and ethical issues.
  - Ensure Capital Metro meets its legal obligations associated with transparency and public information.
  - Continue to develop and implement processes and strategies for reducing legal risk and exposure.



### Legal Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Net increase of \$19,018 due to the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$201,231 to reflect reduced spending for outside legal services. During FY2017 the Plaza Saltillo project, property ownership issues on the rail line and effort around positive train control implementation required a significant level of specialized legal expertise that will not be needed in FY2018.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$408,992	\$382,791	\$393,650	\$401,756	\$18,965	5.0%
Overtime - Administrative	104	-	-	-	-	0.0%
FICA-Admin	28,497	28,639	28,639	28,008	(631)	(2.2%)
State Unemployment-Admin	688	-	-	684	684	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>438,281</b>	<b>411,430</b>	<b>422,289</b>	<b>430,448</b>	<b>19,018</b>	<b>4.6%</b>
<b>OTHER EXPENSES</b>						
General Legal Services	577,561	703,788	700,000	500,000	(203,788)	(29.0%)
Courier And Delivery Services	45	60	50	50	(10)	(16.7%)
Office Supplies	1,874	1,800	1,800	2,500	700	38.9%
Non Capital Equipment	634	-	-	-	-	0.0%
Telephone-Local	720	480	960	1,440	960	200.0%
Dues And Subscriptions	6,119	6,244	5,500	7,700	1,456	23.3%
Airfare - Transportation	936	1,949	1,500	2,000	51	2.6%
Travel - Per Diem	448	1,100	800	800	(300)	(27.3%)
Seminar, Conferences, Registration	4,598	5,500	4,500	5,500	-	0.0%
Lodging	1,408	2,300	1,800	2,300	-	0.0%
Travel - Other	5	-	-	-	-	0.0%
Postage	450	700	300	400	(300)	(42.9%)
<b>TOTAL OTHER EXPENSES</b>	<b>594,798</b>	<b>723,921</b>	<b>717,210</b>	<b>522,690</b>	<b>(201,231)</b>	<b>(27.8%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,033,079</b>	<b>\$1,135,351</b>	<b>\$1,139,499</b>	<b>\$953,138</b>	<b>(\$182,213)</b>	<b>(16.0%)</b>

# Marketing

## Functions and Responsibilities

The Marketing department furthers the mission of Capital Metro by delivering the best possible customer experience and demonstrating the value of public transportation to the community we serve. The Marketing department also generates revenue through advertising sales on transit vehicles and through the development of programs designed to increase ridership in a collaborative effort with private and public entities. Major responsibilities include the promotion of routes and services, internal marketing, schedule/signage design and fleet graphics. Marketing works with the Communications and Community Involvement departments to inform the public of planned initiatives and service improvements. The Marketing department carries out market research to measure levels of awareness and customer satisfaction with specific products.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Received a grand prize APTA Adwheel award for our “Don’t Hit the Bus” safety awareness campaign which appears on the backs of many of our vehicles.
  - Provided original, innovative designs for rebranding current and new vehicles, and supported the completion of bus repainting to ensure a consistent brand.
  - Completed a successful fare change promotion in January 2017 to support fare collection improvements.
  - Developed a campaign to promote increased MetroRapid frequencies and service hours and increased ridership.
- ◆ Demonstrate Regional Leadership
  - Designed the logo and bus stop signs for Georgetown’s new “GoGeo” service.
  - Worked with Round Rock to develop co-branded bus passes and brochures for the city’s new transit service.
  - Increased MetroWorks membership and created programs for businesses to improve first-and last-mile access to the system.
  - Promoted the Capital Metro App in a “Back to Basics” campaign that contributed to an increase of downloads and sales through the app’s use.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Developed branding, marketing strategy and all promotional materials for the successful Pickup service pilot, which has exceeded expectations with steadily increasing ridership.

- Completed the redesign of our website, creating a more user-friendly, responsive site that can be easily viewed on screens of any size.
- Successfully pursued new participants for the advertising program and increased transit advertising sales by 5 percent.
- Conducted surveys and focus groups with high-density apartment complexes on MetroRapid routes to determine opportunities for business-to-business growth.

### **FY2018 Planned Initiatives**

#### ◆ Customer Experience

- Develop safety education advertising to reach the public with safety messages.
- Develop and deliver the customer satisfaction survey as outlined in the strategic plan.
- Support service changes conducted 3 times per year, including brochure and map printing, public meeting notice advertising, bilingual service change advertising and sign printing.

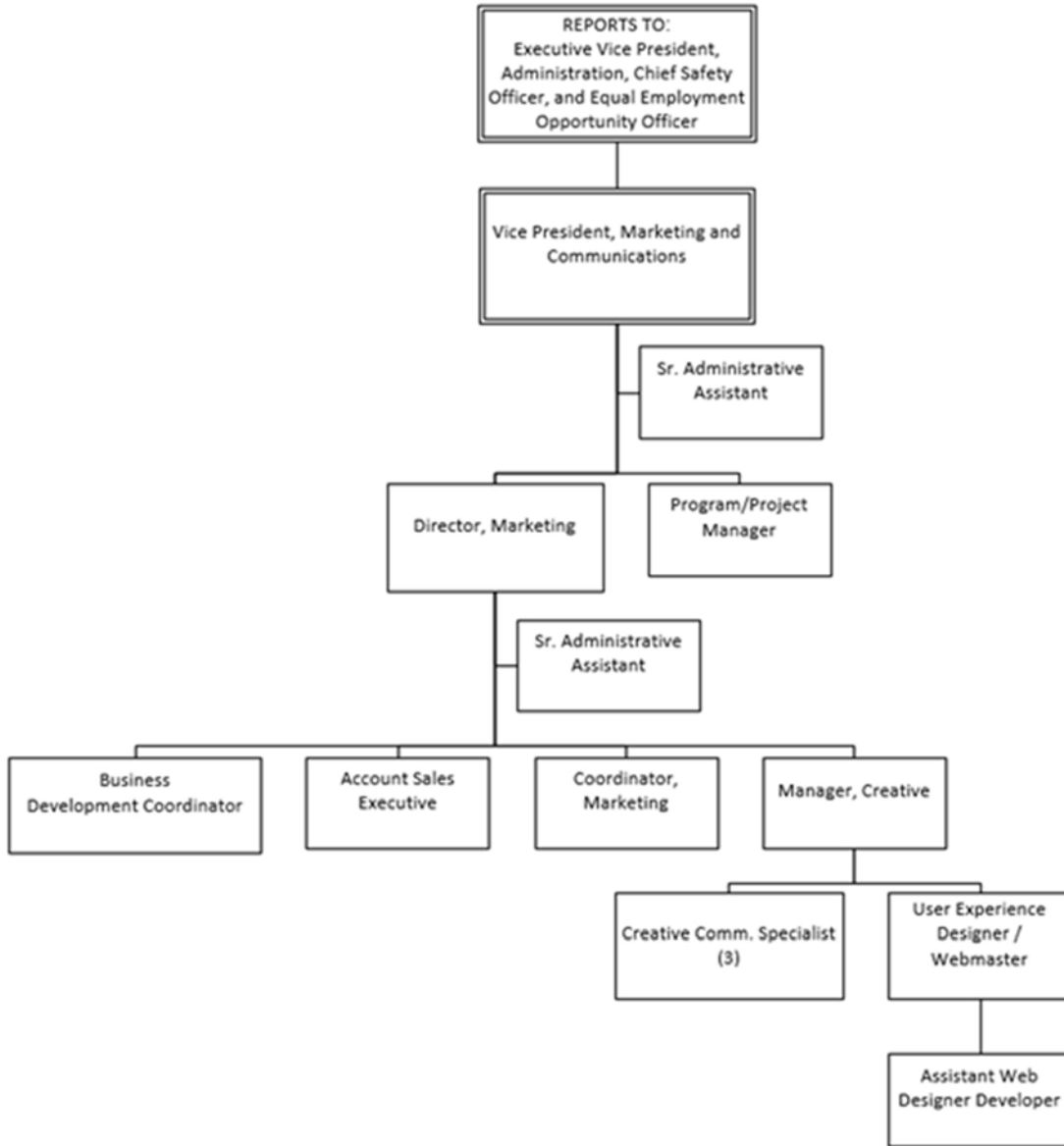
#### ◆ Ridership

- Promote MoPac express lanes service with placards, door hangers, ads designed in-house, billboards, pass printing and digital/newspaper advertising.
- Develop targeted University of Texas student ridership campaign using social media, campus radio spots, and advertising.
- Develop MetroRapid frequency increase campaign, a two-month advertising campaign to increase ridership and promote the service's frequency increases.

#### ◆ Community

- Strategically develop an effective communication plan about the value of transit services to current and emerging markets through community involvement, creative advertising and social media.
- Actively continue the expansion of the MetroWorks program.
- Support the implementation of Connections 2025 by providing system map redesign consultation services and creating maps.
- Plan a promotional campaign for Connections 2025's new service featuring an introductory phase in June for best exposure, followed by a low-exposure maintenance phase from July to mid-August and concluding with a back-to-school splash from mid-August through mid-September for highest exposure.
- Provide promotions, sponsorships and materials for major special events impacting our community and businesses partners: Pecan Street, El Grito, ACL, F1, Halloween, SXSW, July 4 and New Year's Eve service.

### Marketing Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$55,010 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$568,472 driven by a reduction of \$359,000 in Consultation Fees, \$69,000 in Other Supplies and \$191,000 in Advertising/Promotion Media related to various promotions, partially offset by an increase for Connections 2025.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,129,114	\$1,083,620	\$1,091,761	\$1,140,280	\$56,660	5.2%
Overtime - Administrative	4,972	-	-	-	-	0.0%
Intern Pay	8,507	-	-	-	-	0.0%
FICA-Admin	78,588	85,309	85,309	83,659	(1,650)	(1.9%)
State Unemployment-Admin	2,554	2,394	2,394	2,394	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,223,735</b>	<b>1,171,323</b>	<b>1,179,464</b>	<b>1,226,333</b>	<b>55,010</b>	<b>4.7%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	1,078,032	779,000	539,000	420,000	(359,000)	(46.1%)
Arbitration Fees	1,270	-	-	-	-	0.0%
Other Professional Fees	202,380	250,000	214,000	248,000	(2,000)	(0.8%)
Temporary Help	21,250	30,000	20,000	40,000	10,000	33.3%
Courier And Delivery Services	32	4,000	200	1,000	(3,000)	(75.0%)
Other Services	384	8,000	8,000	5,000	(3,000)	(37.5%)
Advertising Installation Expense	157,950	215,000	200,000	215,000	-	0.0%
Office Supplies	18,311	20,000	20,000	20,000	-	0.0%
Maps And Schedules	249,661	287,000	287,000	322,000	35,000	12.2%
Other Supplies	160,913	142,000	136,000	73,000	(69,000)	(48.6%)
Telephone-Local	960	1,200	1,200	1,200	-	0.0%
Dues And Subscriptions	4,418	4,572	4,572	14,500	9,928	217.1%
Airfare - Transportation	5,754	5,500	6,000	5,500	-	0.0%
Travel - Per Diem	2,216	3,000	3,000	3,000	-	0.0%
Seminar, Conferences, Registration	7,564	6,000	10,000	9,600	3,600	60.0%
Lodging	4,923	5,000	5,000	5,000	-	0.0%
Travel - Other	54	-	-	-	-	0.0%
Business Meals - Local	281	-	-	-	-	0.0%
Advertising/Promotion Media	867,040	822,000	450,000	631,000	(191,000)	(23.2%)
Postage	49	3,000	12,000	3,000	-	0.0%
Other Miscellaneous Expenses	602	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>2,784,045</b>	<b>2,585,272</b>	<b>1,915,972</b>	<b>2,016,800</b>	<b>(568,472)</b>	<b>(22.0%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$4,007,780</b>	<b>\$3,756,595</b>	<b>\$3,095,436</b>	<b>\$3,243,133</b>	<b>(\$513,462)</b>	<b>(13.7%)</b>

# Non-Allocated Employee Benefits

## Functions and Responsibilities

The Non-Allocated Employee Benefits department captures costs of various employee benefits agency-wide, such as health, dental, life insurance and the pension plans.

### FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Complied with changes required under the Affordable Care Act (ACA) federal health plan which included changes to the health plans in anticipated increases in the “Cadillac Tax,” in case it is implemented.
  - Completed RFP for the life, disability and Family Medical Leave Act (FMLA) contract and Voluntary Benefits including vision and prepaid legal.
  - Completed prior to deadline all reporting of the ACA Internal Revenue Service (IRS) 1095 requirements for benefits cost, which will include annual reporting to employees and the IRS.
  - Completed the annual audit of the Capital Metro retirement plans as required by the Texas Pension Review Board.

### FY2018 Planned Initiatives

- ◆ Human Capital
  - Review the possibility of changing plan design to give employees a high-deductible option in medical coverage with a Health Savings Account to help further reduce cost in preparation for the “Cadillac Tax” which was to be implemented in 2020 but has now been moved to 2025. Due to the uncertainty regarding the long-term future of the ACA, we will continue to monitor for possible changes to the plan.
  - Complete RFP for vision plan. Benefits will have health care, dental, long term disability, life insurance, employee assistance, legal service plans option years renewed.



### Budget Changes

#### Labor and Benefits

Net increase of \$1,527,216 primarily due to: one-time increase in pension administration budget of \$1,076,270 to allow pension benefit credit to employees hired prior to the pension plan; increases to the plan expenses; and an increase to the anticipated expense of insurance claims for FY2018 of \$443,372.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
401k Fees	\$46,511	\$42,000	\$42,000	\$46,803	\$4,803	11.4%
Pension - Bargain	2,660,874	4,025,001	4,025,001	4,010,000	(15,001)	(0.4%)
Pension - Admin	3,754,821	2,166,744	2,679,807	3,243,014	1,076,270	49.7%
L/T Disability - Admin.	56,208	54,000	54,000	54,450	450	0.8%
Buy Up Ltd/Std	1,185	696	696	700	4	0.6%
Health Plans-Admin	4,229,710	3,765,084	3,765,084	4,208,456	443,372	11.8%
Health Plan - Fees	342,686	486,453	486,453	509,381	22,928	4.7%
Health Plan Employee Contribution-Admin	(569,120)	(535,133)	(535,133)	(571,638)	(36,505)	6.8%
Dental Plans-Admin	202,222	204,750	204,750	218,720	13,970	6.8%
Dental Plan Employee Contribution-Admin	(29,384)	(28,350)	(28,350)	(30,286)	(1,936)	6.8%
Life Insurance-Admin	22,895	38,000	38,000	38,259	259	0.7%
Supplemental Life Insurance	19,778	3,204	3,204	3,000	(204)	(6.4%)
Rideshare Subsidy	9,200	15,996	15,996	16,302	306	1.9%
B-Cycle Subsidy	-	-	-	2,500	2,500	0.0%
Retirement Medicare Supplement Payments	445,826	30,000	30,000	46,000	16,000	53.3%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>11,193,411</b>	<b>10,268,445</b>	<b>10,781,508</b>	<b>11,795,661</b>	<b>1,527,216</b>	<b>14.9%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$11,193,411</b>	<b>\$10,268,445</b>	<b>\$10,781,508</b>	<b>\$11,795,661</b>	<b>\$1,527,216</b>	<b>14.9%</b>



# Paratransit Administration

## Functions and Responsibilities

The Paratransit Administration department manages all aspects of paratransit through the Reservations and Control Center, Contracts Operations and Eligibility departments. The department also coordinates with customers and the Access Advisory Committee to receive feedback on all aspects of service and policy development. The Paratransit Administration department is directly responsible for federal reporting on all paratransit-related items for the agency.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Evaluated and implemented Flex/Shopper Routes including technology and reporting accommodation.
  - Launched Pickup to evaluate feasibility of providing Transportation Network Company-style (TNC) service with internal resources.
  - Planned and initiated an annual “emergency operations” drill to test and validate emergency operations center (EOC), plans and procedures. Implemented Avaya Aura “Soft Phone” functionality at daily and emergency operations sites to more easily facilitate call center activities.
  - Drafted a scope of services for the future replacement of operating software products utilized in paratransit operations.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Completed the second full-year of the Pathway Assessment.
  - Reevaluated No Show, Open Return and Fare policies for clarity and effectiveness.

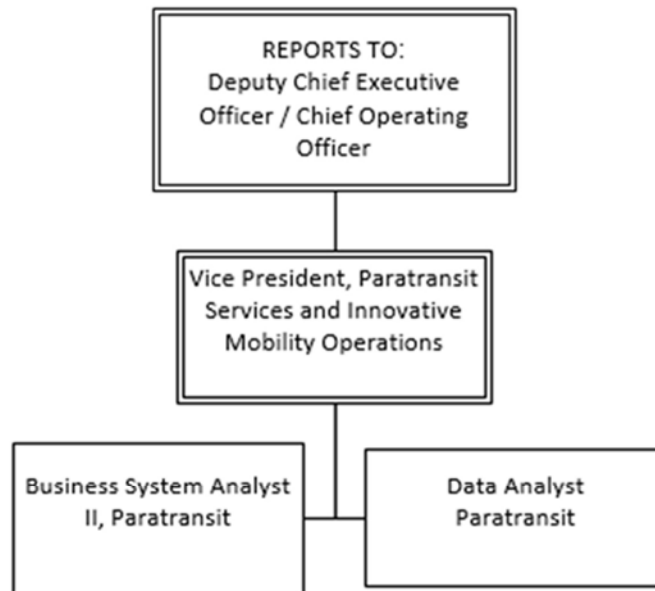
## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Participate in the procurement of the south base paratransit service provider contract.
  - Launch project for the replacement of operating software products utilized in paratransit operations.
  - Conclude the Pickup mobility on-demand pilot project and propose future service based on lessons learned.
  - Identify and implement mobility on-demand for innovation zone services.

◆ Ridership

- Assist Georgetown with administering the eligibility process for the new paratransit service to be provided in that area.
- Provide any needed assistance to Round Rock for eligibility administration and appeals.

**Paratransit Administration Department Organizational Chart**





### Budget Changes

#### Labor and Benefits

Increase of \$11,593 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$12,855 primary driven by lower expected spend of \$16,500 in Other Services which supports technology enhancements.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$219,509	\$244,448	\$236,850	\$255,401	\$10,953	4.5%
Overtime - Administrative	35	2,202	2,202	2,202	-	0.0%
FICA-Admin	17,879	18,289	18,289	18,929	640	3.5%
State Unemployment-Admin	513	513	513	513	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>237,936</b>	<b>265,452</b>	<b>257,854</b>	<b>277,045</b>	<b>11,593</b>	<b>4.4%</b>
<b>OTHER EXPENSES</b>						
Other Services	9,949	56,500	55,000	40,000	(16,500)	(29.2%)
Gasoline	116	-	-	-	-	0.0%
Office Supplies	1,202	700	800	700	-	0.0%
Maps And Schedules	811	1,080	900	700	(380)	(35.2%)
Other Supplies	24,085	12,700	13,000	13,500	800	6.3%
Telephone-Local	480	1,320	480	480	(840)	(63.6%)
Gasoline Fuel Tax	18	-	-	-	-	0.0%
Dues And Subscriptions	698	375	349	375	-	0.0%
Airfare - Transportation	708	1,750	1,750	3,275	1,525	87.1%
Travel - Per Diem	367	1,625	1,625	2,550	925	56.9%
Seminar, Conferences, Registration	535	1,850	1,850	925	(925)	(50.0%)
Lodging	1,476	2,500	2,500	7,000	4,500	180.0%
Travel - Other	167	240	240	-	(240)	(100.0%)
Postage	4,396	13,720	12,000	12,000	(1,720)	(12.5%)
<b>TOTAL OTHER EXPENSES</b>	<b>45,008</b>	<b>94,360</b>	<b>90,494</b>	<b>81,505</b>	<b>(12,855)</b>	<b>(13.6%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$282,944</b>	<b>\$359,812</b>	<b>\$348,348</b>	<b>\$358,550</b>	<b>(\$1,262)</b>	<b>(0.4%)</b>

# Paratransit Contract Operations

## Functions and Responsibilities

The Paratransit Contract Operations department provides contract oversight for each of Capital Metro's paratransit services contractors. Costs related to contracted paratransit services compliant with the ADA are budgeted in this department. There are 3 contractors managed by this department: Austin Ride Right (north base), MV Transportation (south base) and LeFleur Transportation of Texas (overflow).

## FY2017 Accomplishments

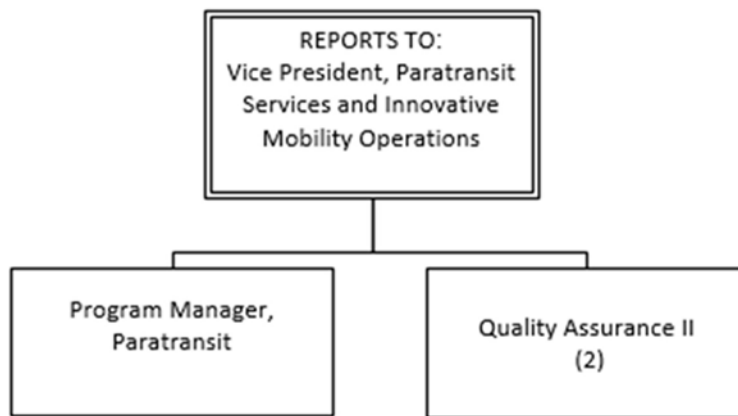
- ◆ Deliver the Best Possible Customer Experience
  - Continued to implement safety management system (SMS) in conjunction with the service providers and roll out agency-wide initiatives to reduce vehicle and rider accidents.
  - Rolled out safety culture surveys in collaboration with Risk Management and the Texas Transit Institute.
  - Procured and processed 19 new accessible paratransit vehicles and retired vehicles at end of lifecycle.
  - Collaborated with MetroAccess service provider to implement a new and innovative non-ADA paratransit demand-response service, called Pickup, that is available to the public.
  - Started new overflow provider contract for MetroAccess on October 1, 2017.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Prepared RFP for paratransit south base provider (509 Thompson Lane) and completed expression of interest.
  - Began operational procedure review, updates and General Operations meetings with MetroAccess and paratransit providers.
  - Updated procedures for several customer-facing elements that have been completed and incorporated into service provider contracts.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Complete the procurement and startup phase of a new south base paratransit contract, with service under that contract scheduled to start October 1, 2018.
  - Review SMS gap analysis results in collaboration with Safety, Risk and Service Providers and initiate related outcomes to SMS plans.

- Continue to foster good relations and provide technical support to service providers regarding contract compliance through contract management and service monitoring plans.
- Procure 22 new MetroAccess vans to replace vans being retired at 509 Thompson Lane facility.

**Paratransit Contract Operations Department Organizational Chart**





### Budget Changes

#### Labor and Benefits

Increase of \$88,904 due to transferring 1 FTE position from the Bus Contract Operations department and the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$188,393 primarily driven by a decrease of \$385,923 in Diesel due to a lower price per gallon budgeted in FY2018. Diesel is budgeted at \$2 per gallon, including taxes. Net increase of \$381,886 in contracted paratransit services to fund planned schedule adjustments, as well as changes in contractual rates.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$136,690	\$149,055	\$193,747	\$231,129	\$82,074	55.1%
FICA-Admin	10,824	11,152	11,152	17,811	6,659	59.7%
State Unemployment-Admin	368	342	342	513	171	50.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>147,882</b>	<b>160,549</b>	<b>205,241</b>	<b>249,453</b>	<b>88,904</b>	<b>55.4%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	-	-	-	25,000	25,000	0.0%
Maintenance-Radios	10,105	3,000	3,000	1,500	(1,500)	(50.0%)
Diesel	450,847	976,300	602,504	763,195	(213,105)	(21.8%)
Gasoline	397,797	1,025,664	627,656	639,741	(385,923)	(37.6%)
Fuel Risk Management	320,569	-	-	-	-	0.0%
Office Supplies	49	-	-	250	250	0.0%
Telephone-Local	-	2,700	2,700	2,700	-	0.0%
Diesel Fuel Tax	63,970	-	-	-	-	0.0%
Gasoline Fuel Tax	23,068	-	-	-	-	0.0%
Fuel Surcharge	494	-	-	-	-	0.0%
North Base Paratransit	5,728,391	6,259,414	5,842,498	6,705,487	446,073	7.1%
Paratransit Overflow	561,673	760,900	242,248	804,642	43,742	5.7%
South Base Paratransit	20,306,137	21,376,491	21,538,860	21,268,562	(107,929)	(0.5%)
Airfare - Transportation	8,953	-	-	1,100	1,100	0.0%
Travel - Per Diem	7,894	-	-	700	700	0.0%
Seminar, Conferences, Registration	-	-	-	1,600	1,600	0.0%
Lodging	9,586	-	-	1,600	1,600	0.0%
Postage	26	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>27,889,558</b>	<b>30,404,469</b>	<b>28,859,466</b>	<b>30,216,076</b>	<b>(188,393)</b>	<b>(0.6%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$28,037,441</b>	<b>\$30,565,018</b>	<b>\$29,064,707</b>	<b>\$30,465,529</b>	<b>(\$99,489)</b>	<b>(0.3%)</b>

# Paratransit Eligibility

## Functions and Responsibilities

The Paratransit Eligibility department manages the eligibility process, including initial certification and re-certification of existing customers using in-person assessments and the assistance of a third-party provider to determine the functional abilities of each applicant. The Paratransit Eligibility department is responsible for all Capital Metro travel training and the Tether Strap Program administration.

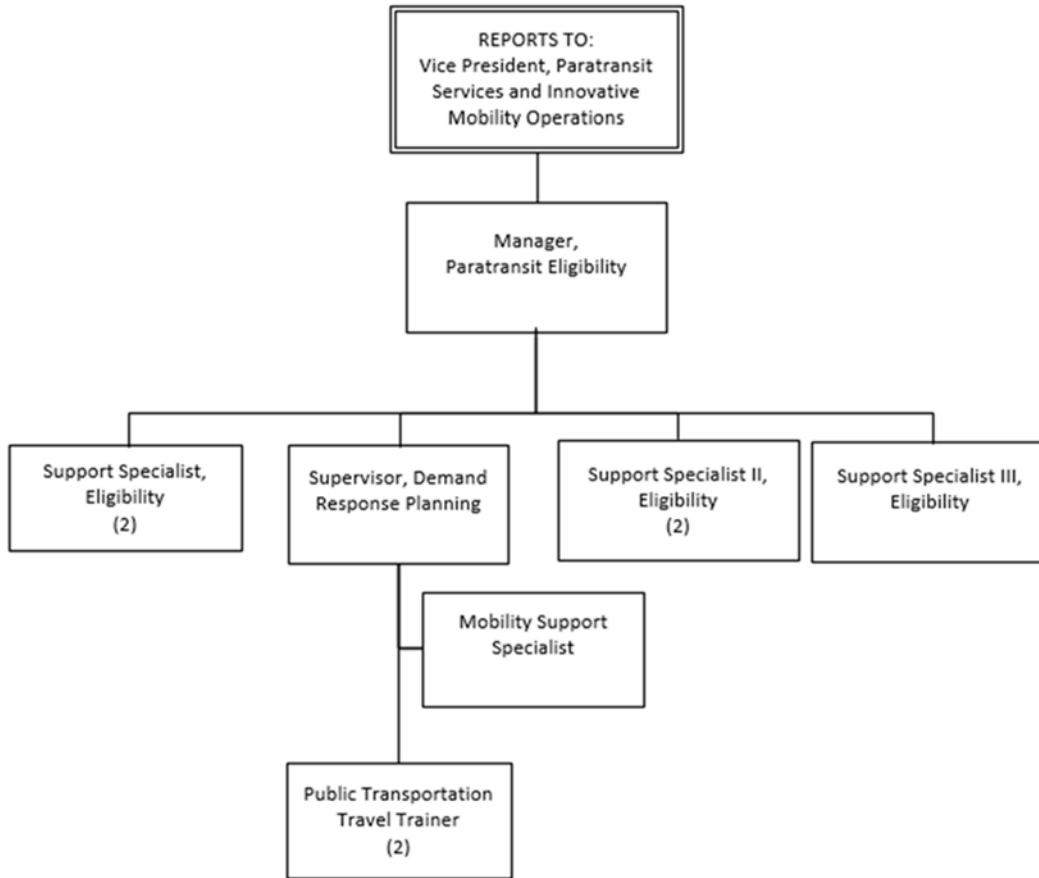
## FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Completed the first full year of the Pathway Assessment.
  - Travel Training became fully staffed.
  - Created an Eligibility Department career ladder to provide opportunities for promotion and leadership development within the department along with delegation of supervisory tasks.

## FY2018 Planned Initiatives

- ◆ Ridership
  - Assist Georgetown with implementing and administering the eligibility process for the new paratransit service to be provided in that area.
  - Provide any needed assistance to Round Rock for eligibility administration and appeals.
- ◆ Finance
  - Perform a full analysis of the eligibility assessment process and plan for future initiatives prior to expiration of base contract with Medical Transportation Management at the end of FY2018.

### Paratransit Eligibility Department Organizational Chart







### Budget Changes

#### Labor and Benefits

Increase of \$25,741 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$41,562 partially offset by an increase of \$9,000 in Other Professional Fees for contractual costs for third party provider of eligibility services and lower-than-expected spending in Other Services of \$50,748 which supports interpreting services.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$451,041	\$495,531	\$495,139	\$518,398	\$22,867	4.6%
Overtime - Administrative	386	15,704	15,704	15,704	-	0.0%
FICA-Admin	36,507	37,074	37,074	39,948	2,874	7.8%
State Unemployment-Admin	2,166	1,710	1,710	1,710	-	0.0%
Uniform Allowance-Admin.	635	740	740	740	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>490,735</b>	<b>550,759</b>	<b>550,367</b>	<b>576,500</b>	<b>25,741</b>	<b>4.7%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	291,998	283,000	283,000	292,000	9,000	3.2%
Temporary Help	82,057	15,860	-	20,000	4,140	26.1%
Other Services	13,293	61,748	55,000	11,000	(50,748)	(82.2%)
Office Supplies	1,303	8,000	6,000	8,000	-	0.0%
Other Supplies	6,736	8,016	6,000	8,016	-	0.0%
Telephone-Local	600	3,300	480	480	(2,820)	(85.5%)
Dues And Subscriptions	-	375	375	375	-	0.0%
Airfare - Transportation	768	600	600	1,100	500	83.3%
Travel - Per Diem	896	400	400	650	250	62.5%
Seminar, Conferences, Registration	-	1,495	1,495	1,495	-	0.0%
Lodging	30	1,300	1,300	1,600	300	23.1%
Travel - Other	-	80	-	-	(80)	(100.0%)
Postage	8,888	11,604	9,500	9,500	(2,104)	(18.1%)
<b>TOTAL OTHER EXPENSES</b>	<b>406,568</b>	<b>395,778</b>	<b>364,150</b>	<b>354,216</b>	<b>(41,562)</b>	<b>(10.5%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$897,304</b>	<b>\$946,537</b>	<b>\$914,517</b>	<b>\$930,716</b>	<b>(\$15,821)</b>	<b>(1.7%)</b>

# Paratransit Reservations and Control Center

## Functions and Responsibilities

The Paratransit Reservations and Control Center department includes the MetroAccess call center, dispatch, scheduling and customer service. This department processes advance trip reservations, cancellations, inquiries, subscription service requests and group trips. This team manages and coordinates service through contracted providers. The department is also responsible for all customer service and outreach efforts for MetroAccess.

## FY2017 Accomplishments

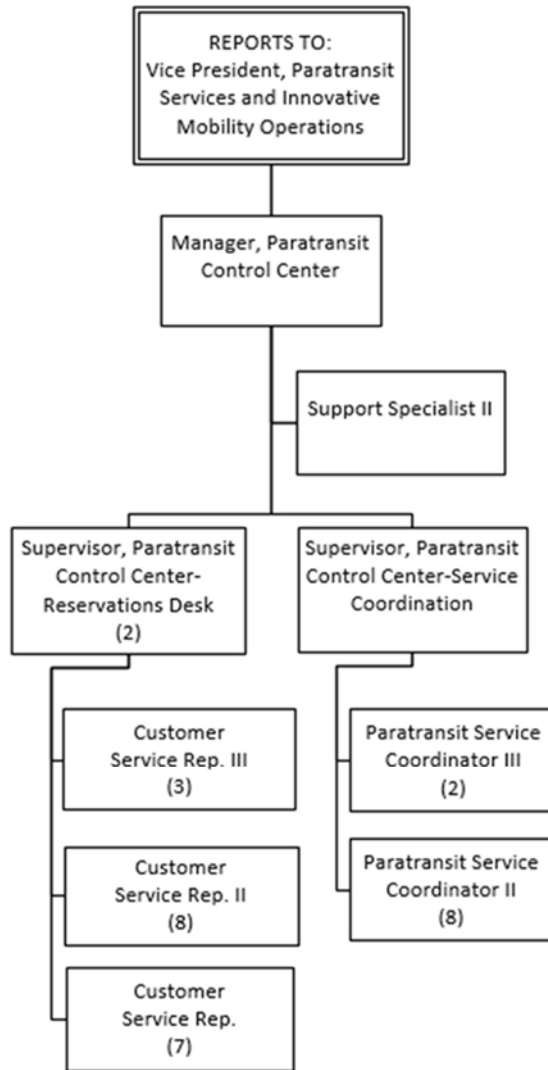
- ◆ Deliver the Best Possible Customer Experience
  - Deployed Upper Eastside Flex (fixed-route deviated service) to beta-test viability of flex service model in lower-density service areas. Developed and implemented Pickup pilot project with software aimed at flex or on-demand service.
  - Outfitted the emergency operations center (EOC) to ensure business continuity. Drafted business continuity (information technology contingency) plan.
  - Planned and initiated an annual “emergency operations” drill to test and validate EOC, plans and procedures.
  - Implemented Avaya Aura “Soft Phone” functionality at daily and emergency operations sites to more easily facilitate call center activities.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Transitioned from a temporary employee program to a complete full-time employee-based program using the career ladder to fill positions as they open. Full staffing has allowed for better customer-facing service, lower abandonment call rates to phone skillsets and reduced complaints.
  - Gained productivity leading to increased passenger per service hour without negatively impacting on-time performance (OTP).

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Initiate industry outreach as first step in exploring available software that might replace existing paratransit software, and allow development and deployment of a RFP for migration to that product over the next 2 fiscal years.
  - Develop and deploy customer service training focused on all agents in the control center in coordination with the Human Resources department.

- Support procurement and deployment of the new south base paratransit service contract.
- ◆ Human Capital
  - Introduction of the use of performance management plans for all control center agents that focus of quantitative performance indicators.

**Paratransit Reservation and Control Center Department Organizational Chart**





### Budget Changes

#### Labor and Benefits

Increase of \$20,343 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net increase of \$9,344 primarily driven by a \$10,000 increase in Other Services to support the Language Line, which provides translation between customers and employees, and an increase in customer service training costs.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,142,220	\$1,448,490	\$1,350,721	\$1,464,631	\$16,141	1.1%
Overtime - Administrative	141,275	171,060	171,060	171,060	-	0.0%
FICA-Admin	95,085	108,663	108,663	112,865	4,202	3.9%
State Unemployment-Admin	4,864	5,643	5,643	5,643	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,383,444</b>	<b>1,733,856</b>	<b>1,636,087</b>	<b>1,754,199</b>	<b>20,343</b>	<b>1.2%</b>
<b>OTHER EXPENSES</b>						
Temporary Help	170,157	32,756	32,756	32,756	-	0.0%
Other Services	346	14,000	14,000	24,000	10,000	71.4%
Gasoline	164	-	-	1,144	1,144	0.0%
Office Supplies	1,968	-	-	1,500	1,500	0.0%
Expendable Tools & Equipment	2,934	4,000	4,000	4,120	120	3.0%
Other Supplies	648	3,231	3,231	3,328	97	3.0%
Airfare - Transportation	1,469	1,200	1,200	1,200	-	0.0%
Travel - Per Diem	449	1,250	1,250	1,150	(100)	(8.0%)
Seminar, Conferences, Registration	-	2,000	2,000	3,333	1,333	66.7%
Lodging	-	2,200	2,200	2,000	(200)	(9.1%)
Travel - Other	-	250	-	-	(250)	(100.0%)
Postage	721	9,300	5,000	5,000	(4,300)	(46.2%)
<b>TOTAL OTHER EXPENSES</b>	<b>178,856</b>	<b>70,187</b>	<b>65,637</b>	<b>79,531</b>	<b>9,344</b>	<b>13.3%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,562,300</b>	<b>\$1,804,043</b>	<b>\$1,701,724</b>	<b>\$1,833,730</b>	<b>\$29,687</b>	<b>1.6%</b>

# Procurement

## Functions and Responsibilities

The Procurement department is responsible for the acquisition of all goods, services and construction needed by Capital Metro at fair and reasonable prices, on time and in compliance with sound public purchasing policies and procedures.

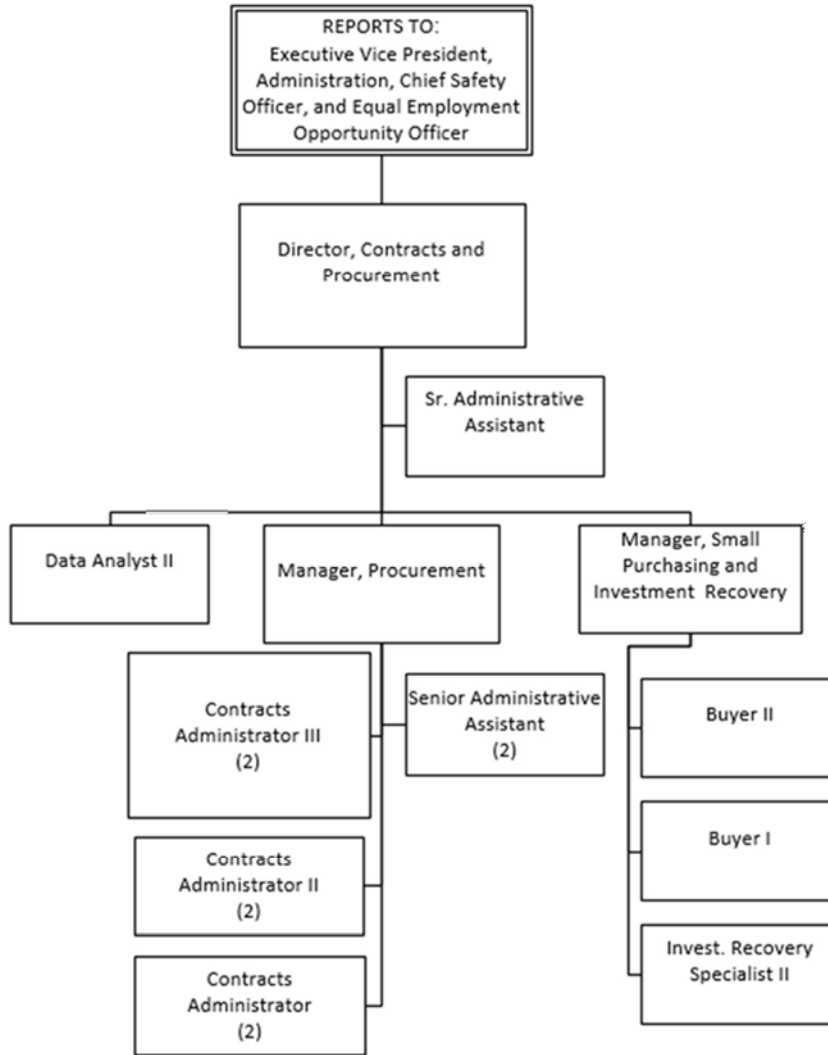
### FY2017 Accomplishments

- ◆ Demonstrate Regional Leadership
  - Awarded contract for General Planning Consulting Services.
  - Awarded contracts for Civil Engineering Task Order Services.
  - Issued solicitation for Real Property Surveying Services.
  - Awarded a contract to install a Positive Train Control (PTC) system for our commuter rail line.
- ◆ Demonstrate the Value of Public Transportation in an Active Community
  - Awarded a contract for construction of the new Westgate Park & Ride.
  - Awarded contracts for TIGER V sidings and signals.
  - Took delivery of 2 new trains, increasing our MetroRail capacity.
  - Awarded contracts for additional bus stop amenities.
  - Supported community outreach events.
  - Awarded contracts for the expansion of the Howard Station and Lakeline Station Park & Rides.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Continued reviewing our procurement boilerplate documents to ensure that they comply with all federal and state procurement regulations.
  - Revised the Acquisition Policy to add a new, expanded chapter on Investment Recovery and updated and revised outdated sections.
  - Worked with Bus and Paratransit Services staff to develop solicitations for new buses for our fleet, replacing aging units.
  - Disposed of surplus property in a timely fashion, generating revenue for the Authority.
  - Reduced paper usage by approximately 70 percent by utilizing electronic documents.

### **FY2018 Planned Initiatives**

- ◆ Community
  - Award a contract for the construction of Downtown Station.
  - Award a contract for contracted paratransit services.
  - Award a contract for new paratransit vehicles.
  - Award a contract for MetroRideShare services.
  - Award contracts for environmental engineering services.
  - Support community outreach events.
- ◆ Human Capital
  - Award a contract for e-recruiting and succession planning.
- ◆ Finance
  - Award a contract for a new asset management software system.
  - Award a contract for new ticket vending machines.
  - Dispose of surplus property in a timely fashion, generating revenue for the Authority.
  - Award a contract for business center services.
  - Continue to review our procurement boilerplate documents to ensure that they comply with all federal and state procurement regulations.
  - Solicit offers for electric buses.

### Procurement Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$67,983 due to the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

No significant changes to this category over previous fiscal year.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$966,114	\$1,115,134	\$1,087,651	\$1,174,537	\$59,403	5.3%
Overtime - Administrative	1,864	13,131	13,131	13,131	-	0.0%
FICA-Admin	70,304	83,763	83,763	92,642	8,879	10.6%
State Unemployment-Admin	2,524	3,035	3,035	2,736	(299)	(9.9%)
Other Benefits - Admin	(249)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,040,558</b>	<b>1,215,063</b>	<b>1,187,580</b>	<b>1,283,046</b>	<b>67,983</b>	<b>5.6%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	-	25,000	8,500	25,000	-	0.0%
Other Professional Fees	51,204	-	-	-	-	0.0%
Temporary Help	34,939	15,000	15,000	12,000	(3,000)	(20.0%)
Gasoline	149	100	200	300	200	200.0%
Office Supplies	8,122	6,400	6,400	6,400	-	0.0%
Dues And Subscriptions	1,429	2,700	2,700	2,700	-	0.0%
Airfare - Transportation	2,924	5,895	5,895	5,895	-	0.0%
Travel - Per Diem	2,443	4,103	4,103	4,103	-	0.0%
Seminar, Conferences, Registration	12,839	14,145	14,145	13,145	(1,000)	(7.1%)
Lodging	7,222	6,970	6,970	6,970	-	0.0%
Travel - Other	2,100	2,100	2,100	1,100	(1,000)	(47.6%)
Newspaper Media	15,050	14,000	14,000	19,000	5,000	35.7%
Postage	540	825	825	825	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>138,962</b>	<b>97,238</b>	<b>80,838</b>	<b>97,438</b>	<b>200</b>	<b>0.2%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,179,520</b>	<b>\$1,312,301</b>	<b>\$1,268,418</b>	<b>\$1,380,484</b>	<b>\$68,183</b>	<b>5.2%</b>



# Property and Asset Management

## Functions and Responsibilities

The Property and Asset Management department's responsibilities encompass all Capital Metro facilities, including but not limited to: management of properties and assets, building and facility maintenance and management of utility and asset usage.

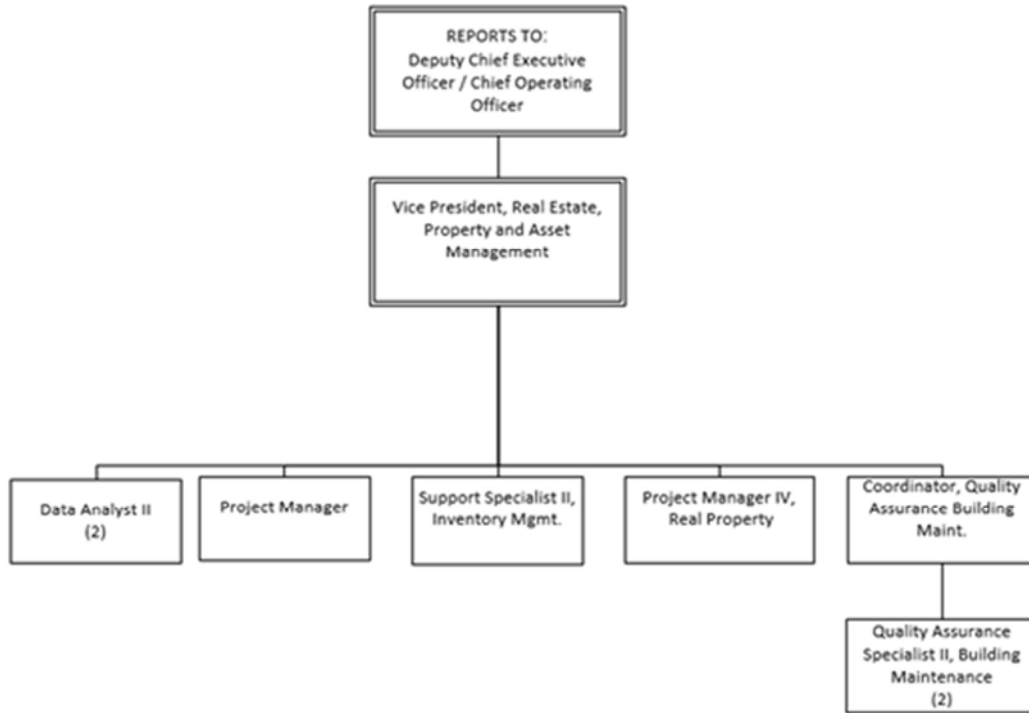
### FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Finalized the transit asset management plan in compliance with final ruling issued by the FTA.
  - Developed annual targets and submitted to the National Transit Database for each asset class in the transit asset management plan, in compliance with final ruling issued by the FTA.
  - Developed maintenance plans for Park & Rides, transit centers and train stations

### FY2018 Planned Initiatives

- ◆ Finance
  - Participate in voluntary reporting of FY2017 data for federally required data for federally required National Transit Database Asset Inventory.
  - Maintain all facilities in a state of good repair.
  - Develop annual targets and submit to the National Transit Database for each asset class in the transit asset management plan, in compliance with final rulemaking issued by the FTA.

### Property and Asset Management Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$31,261 due to reallocation of a full-time position from the Real Estate and Facility Planning department and the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$18,511 includes contractual increases in Repair and Maintenance-Other and lower expected spend in Other Services and Other Supplies.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$651,878	\$748,523	\$742,643	\$774,348	\$25,825	3.5%
Overtime - Administrative	278	-	-	-	-	0.0%
FICA-Admin	44,488	50,805	50,805	55,899	5,094	10.0%
State Unemployment-Admin	1,368	1,197	1,197	1,539	342	28.6%
Other Benefits - Admin	(99)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>697,913</b>	<b>800,525</b>	<b>794,645</b>	<b>831,786</b>	<b>31,261</b>	<b>3.9%</b>
<b>OTHER EXPENSES</b>						
Permits And Fees	2,193	3,000	3,000	3,000	-	0.0%
Repair & Maintenance-Other	646,557	820,000	818,000	896,234	76,234	9.3%
Other Services	81,885	125,000	68,000	75,000	(50,000)	(40.0%)
Gasoline	1,203	4,596	1,500	1,500	(3,096)	(67.4%)
Office Supplies	8,358	3,804	3,804	3,804	-	0.0%
Other Supplies	49,165	110,500	58,500	69,600	(40,900)	(37.0%)
Non-Capital Projects	53,005	-	-	-	-	0.0%
Gasoline Fuel Tax	40	324	-	-	(324)	(100.0%)
Dues And Subscriptions	387	912	712	1,007	95	10.4%
Airfare - Transportation	1,546	2,520	2,520	2,500	(20)	(0.8%)
Travel - Per Diem	727	320	320	320	-	0.0%
Seminar, Conferences, Registration	2,589	1,500	1,500	1,000	(500)	(33.3%)
Lodging	108	1,200	1,200	1,200	-	0.0%
Postage	55	63	63	63	-	0.0%
Other Miscellaneous Expenses	1	-	-	-	-	0.0%
Office Equipment	629	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>848,447</b>	<b>1,073,739</b>	<b>959,119</b>	<b>1,055,228</b>	<b>(18,511)</b>	<b>(1.7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,546,361</b>	<b>\$1,874,264</b>	<b>\$1,753,764</b>	<b>\$1,887,014</b>	<b>\$12,750</b>	<b>0.7%</b>

## Public Facilities

### Functions and Responsibilities

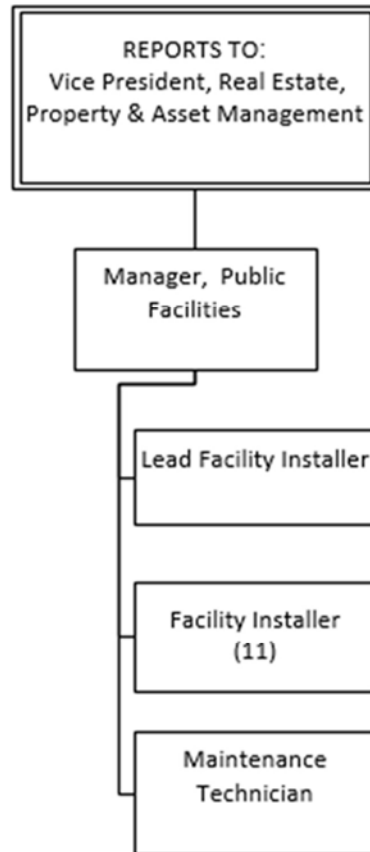
The Public Facilities department is responsible for maintaining public facilities, consisting of all bus stops, Park & Rides, transit centers and rail stations. The primary functions include the cleaning of bus stops and transit centers, servicing litter containers, coordinating the installation and removal of bus stop amenities, supporting special events and performing service change support tasks, including the installation and removal of signage.

### FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Supported property management efforts for the installation of new public bus stop amenities, including pads, benches and shelters.
  - Supported service changes throughout the year.
  - Supported transit service during all special events.
  - Painted stations at MLK Jr., Crestview, Kramer and Leander as part of state of good repair maintenance.

### FY2018 Planned Initiatives

- ◆ Customer Experience
  - Install 1,780 new poles and signs at bus stops.
  - Support installation of bus stops and bus stop changes resulting from implementation of Connections 2025.
  - Support service changes throughout the year.
  - Support all transit service during city special events.

**Public Facilities Department Organizational Chart**



### Budget Changes

#### Labor and Benefits

Net increase of \$69,397 due to addition of a full-time maintenance technician and the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Net decrease of \$346,019 primarily due to lower contractual rates in Custodial Services.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$519,157	\$618,156	\$614,300	\$699,885	\$81,729	13.2%
Overtime - Administrative	61,653	133,571	80,000	113,571	(20,000)	(15.0%)
FICA-Admin	47,215	46,248	46,248	53,745	7,497	16.2%
State Unemployment-Admin	2,227	2,223	2,223	2,394	171	7.7%
Uniform Allowance-Admin.	8,871	8,250	8,250	8,250	-	0.0%
Boot Allowance-Admin	1,511	1,620	1,620	1,620	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>640,634</b>	<b>810,068</b>	<b>752,641</b>	<b>879,465</b>	<b>69,397</b>	<b>8.6%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	100	-	-	-	-	0.0%
Repair & Maintenance-Other	27,285	102,000	70,000	70,000	(32,000)	(31.4%)
Electrical Services	75,649	95,004	95,004	96,654	1,650	1.7%
Custodial Services	908,552	1,358,637	1,083,244	1,033,244	(325,393)	(23.9%)
Other Services	375,914	396,390	396,390	424,618	28,228	7.1%
Diesel	29,102	60,000	45,000	45,000	(15,000)	(25.0%)
Gasoline	1,793	-	-	-	-	0.0%
Fuel Risk Management	18,962	-	-	-	-	0.0%
Office Supplies	59	120	120	120	-	0.0%
Other Supplies	130,283	60,000	60,000	60,000	-	0.0%
Maintenance Materials	22,920	39,996	35,996	39,996	-	0.0%
Electric	984,573	1,039,389	1,000,182	1,039,389	-	0.0%
Water And Sewer	311,078	312,000	336,779	312,000	-	0.0%
Gas	89,895	101,337	89,442	101,337	-	0.0%
Drainage Service	240,501	257,411	249,893	257,411	-	0.0%
Garbage Collection	97,323	120,201	81,844	120,201	-	0.0%
Street Service	103,322	107,529	120,726	107,529	-	0.0%
Other Utilities	16,802	86,915	25,202	86,915	-	0.0%
Diesel Fuel Tax	935	3,504	-	-	(3,504)	(100.0%)
Tools And Equipment	1,639	1,000	1,000	1,000	-	0.0%
Safety Equipment	810	1,600	1,600	1,600	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>3,437,497</b>	<b>4,143,033</b>	<b>3,692,422</b>	<b>3,797,014</b>	<b>(346,019)</b>	<b>(8.4%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$4,078,131</b>	<b>\$4,953,101</b>	<b>\$4,445,063</b>	<b>\$4,676,479</b>	<b>(\$276,622)</b>	<b>(5.6%)</b>

# Rail Commuter Operations

## Functions and Responsibilities

The Rail Commuter Operations department provides management and oversight of commuter rail service between Leander and downtown Austin. The mission entails the provision of safe and efficient public transportation for the community. The commuter service operates 6 commuter trains out of 1 operations facility in Central Austin, along 32 miles of track that services 9 stations along this right-of-way.

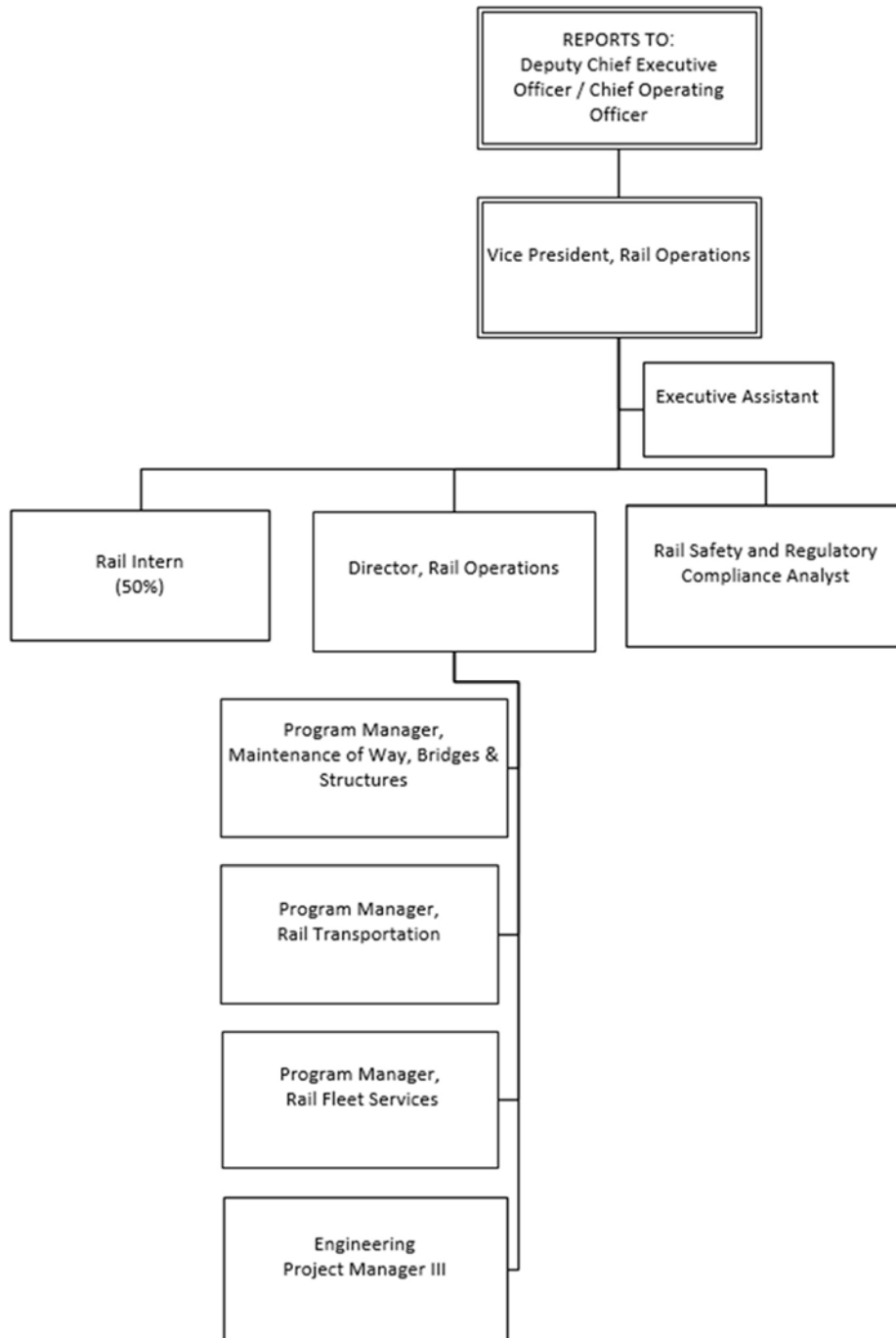
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Continued implementation of quiet zones in Central Subdivision.
  - Received and commissioned 2 new trains.
  - Continued pursuit of alternative Alternate Vehicle Technology (AVT) compliance with the FRA.
  - Selected design-build vendor for PTC implementation.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Complete implementation of quiet zones in Central Subdivision.
  - Increase service frequency using 2 new trains.

### Rail Commuter Operations Department Organizational Chart







## **Budget Changes**

### **Labor and Benefits**

Net decrease of \$270,315 due to the transfer of 2 employees to the newly created Rail Compliance department and 1 employee to the Capital Projects department, partially offset by the approved performance-based pay increases to become effective in January 2018.

### **Other Expenses**

Net decrease of \$2,008,766 from \$275,000 Consulting Fees mostly due to expenses budgeted in FY2017 to petition the FRA for an AVT waiver that will be done in FY2018 instead and are now budgeted in the new Rail Compliance department; \$100,000 Repair & Maintenance-Other; \$328,506 Diesel due to reduced budgeted cost per gallon. Commuter Rail Services decreased by \$1,197,520 due to timing of DMU overhauls. Additional reduction comes from \$56,537 in Interest Expense related to debt payments for purchase of existing trains, as the obligation begins to approach final maturity in FY2019.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$888,955	\$1,091,555	\$989,050	\$839,328	(\$252,227)	(23.1%)
Overtime - Administrative	24	3,762	12	3,762	-	0.0%
Salary & Wages - Temp	2,388	-	-	-	-	0.0%
FICA-Admin	70,782	80,821	65,184	63,117	(17,704)	(21.9%)
State Unemployment-Admin	1,893	1,924	3,078	1,539	(385)	(20.0%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>964,042</b>	<b>1,178,062</b>	<b>1,057,324</b>	<b>907,746</b>	<b>(270,315)</b>	<b>(22.9%)</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	74,431	350,000	50,000	75,000	(275,000)	(78.6%)
Temporary Help	52,241	21,120	57,500	-	(21,120)	(100.0%)
Maintenance-Radios	5,317	3,000	3,768	3,000	-	0.0%
Repair & Maintenance-Other	21,062	100,000	-	-	(100,000)	(100.0%)
Diesel	353,604	1,027,414	405,676	698,908	(328,506)	(32.0%)
Gasoline	6,216	10,800	6,230	5,000	(5,800)	(53.7%)
Fuel-Fixed Route Local Services	120	-	-	-	-	0.0%
Fuel Risk Management	67,715	-	26,250	-	-	0.0%
Office Supplies	11,439	7,500	9,296	5,000	(2,500)	(33.3%)
Other Supplies	445	-	-	-	-	0.0%
Telephone-Local	54,788	56,160	42,922	67,680	11,520	20.5%
Inspection Certificates	237	-	-	-	-	0.0%
Diesel Fuel Tax	11,791	3,563	12,776	10,457	6,894	193.5%
Gasoline Fuel Tax	834	600	798	600	-	0.0%
Fuel Surcharge	183	941	-	1,200	259	27.5%
Commuter Rail Services	16,621,628	16,972,055	15,604,916	15,774,535	(1,197,520)	(7.1%)
Dues And Subscriptions	10,655	27,525	22,020	16,475	(11,050)	(40.1%)
Airfare - Transportation	17,561	7,494	16,882	598	(6,896)	(92.0%)
Travel - Per Diem	10,423	5,444	8,052	356	(5,088)	(93.5%)
Seminar, Conferences, Registration	4,368	5,725	2,863	1,375	(4,350)	(76.0%)
Lodging	7,474	14,072	10,338	1,000	(13,072)	(92.9%)
Travel - Other	374	-	-	-	-	0.0%
Postage	17	-	-	-	-	0.0%
Tools And Equipment	-	800	400	800	-	0.0%
Other Miscellaneous Expenses	-	3,000	2,250	3,000	-	0.0%
Interest Expense	190,165	120,264	134,968	63,727	(56,537)	(47.0%)
<b>TOTAL OTHER EXPENSES</b>	<b>17,523,088</b>	<b>18,737,477</b>	<b>16,417,905</b>	<b>16,728,711</b>	<b>(2,008,766)</b>	<b>(10.7%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$18,487,130</b>	<b>\$19,915,539</b>	<b>\$17,475,229</b>	<b>\$17,636,457</b>	<b>(\$2,279,081)</b>	<b>(11.4%)</b>

# Rail Compliance

## Functions and Responsibilities

The newly created Rail Compliance department manages the PTC contract, rail operations strategic planning, rail operations regulatory compliance and risk reduction through post-incident analysis.

### FY2018 Planned Initiatives

- ◆ Customer Experience
  - Continue pursuit of alternative compliance with the FRA.
  - Begin construction of PTC system.

### Rail Compliance Department Organizational Chart





## Budget Changes

### Labor and Benefits

The \$275,973 budget is for 2 employees transferring from the Commuter Rail Operations department, and includes approved performance-based pay increases to become effective in January 2018.

### Other Expenses

The \$396,459 budget is mainly for \$350,000 in Consulting Fees for consulting and independent testing services to petition the FRA for an AVT waiver, which was initially budgeted in FY2017 in the Commuter Rail Operations department.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	-	-	-	\$259,690	\$259,690	0.0%
FICA-Admin	-	-	-	15,941	15,941	0.0%
State Unemployment-Admin	-	-	-	342	342	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	-	-	-	<b>275,973</b>	<b>275,973</b>	<b>0.0%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	-	-	-	350,000	350,000	0.0%
Temporary Help	-	-	-	21,120	21,120	0.0%
Office Supplies	-	-	-	2,500	2,500	0.0%
Dues And Subscriptions	-	-	-	9,550	9,550	0.0%
Airfare - Transportation	-	-	-	3,149	3,149	0.0%
Travel - Per Diem	-	-	-	2,366	2,366	0.0%
Seminar, Conferences, Registration	-	-	-	1,738	1,738	0.0%
Lodging	-	-	-	6,036	6,036	0.0%
<b>TOTAL OTHER EXPENSES</b>	-	-	-	<b>396,459</b>	<b>396,459</b>	<b>0.0%</b>
<b>TOTAL OPERATING EXPENSES</b>	-	-	-	<b>\$672,432</b>	<b>\$672,432</b>	<b>0.0%</b>

# Rail Freight Management

## Functions and Responsibilities

The Rail Freight Management department is responsible for managing and preserving Capital Metro's railroad assets used for transportation of freight and for transit use. Currently, the department manages approximately 162 miles of railroad right-of-way between Giddings and Llano. Management of the Giddings-Llano rail line is accomplished through a rail freight operator, whose responsibility is to fulfill the common carrier obligations by providing freight service to shippers along the line, as well as implementing aggressive marketing strategies to maximize revenue while providing efficient freight service. The operation and maintenance of the railroad is in accordance with FRA, regulations and the American Railroad Engineering and Maintenance Association guidelines.

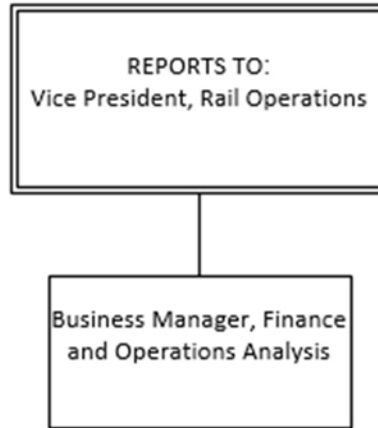
## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Began upgrading 26 bridges from 263,000-pound capacity to 286,000-pound capacity.
  - Began infrastructure upgrades as part of TIGER V grant program.
  - Continued engineering design for implementing quiet zones on East Subdivision.
- ◆ Demonstrate Regional Leadership
  - Started shipments of hot asphalt to Ergon.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Complete upgrading 26 bridges from 263,000-pound capacity to 286,000-pound capacity.
  - Continue infrastructure upgrades as part of TIGER V Grant Program.
  - Complete implementing quiet zones on East Subdivision.

### Rail Freight Management Department Organizational Chart



### Budget Changes

#### Labor and Benefits

Increase of \$4,522 for the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Increase of \$268,321 due to \$475,000 in Consultation Fees for a timber bridges analysis, which was budgeted in the Capital Improvement Plan for FY2017. The analysis will be partially done in FY2017 and the rest completed in FY2018, and is now classified as an operating expense. Increase partially offset by a \$206,679 expected decrease for maintenance and transit services expenses.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$65,580	\$99,772	\$98,348	\$103,763	\$3,991	4.0%
FICA-Admin	6,969	7,465	7,038	7,996	531	7.1%
State Unemployment-Admin	171	171	342	171	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>72,720</b>	<b>107,408</b>	<b>105,728</b>	<b>111,930</b>	<b>4,522</b>	<b>4.2%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	298,294	120,000	48,000	595,000	475,000	395.8%
Other Professional Fees	(1,910)	-	-	-	-	0.0%
Repair & Maintenance-Other	12,945	-	-	-	-	0.0%
Row Herzog Transit Services	513	1,274,741	1,274,741	1,068,062	(206,679)	(16.2%)
Office Supplies	1,673	5,000	3,416	5,000	-	0.0%
Expendable Tools & Equipment	-	1,000	1,370	1,000	-	0.0%
Rail - Maintenance Materials	2,238	-	-	-	-	0.0%
Telephone-Local	1,882	3,780	1,256	3,780	-	0.0%
Dues And Subscriptions	2,500	5,100	5,100	5,100	-	0.0%
Airfare - Transportation	-	700	700	1,200	500	71.4%
Travel - Per Diem	25	460	460	460	-	0.0%
Toll Road Charges	80	996	996	996	-	0.0%
Lodging	-	600	600	600	-	0.0%
Travel - Other	-	500	500	-	(500)	(100.0%)
Postage	12	-	-	-	-	0.0%
Other Miscellaneous Expenses	728	1,200	1,344	1,200	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>318,980</b>	<b>1,414,077</b>	<b>1,338,483</b>	<b>1,682,398</b>	<b>268,321</b>	<b>19.0%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$391,701</b>	<b>\$1,521,485</b>	<b>\$1,444,211</b>	<b>\$1,794,328</b>	<b>\$272,843</b>	<b>17.9%</b>

# Real Estate and Facility Planning

## Functions and Responsibilities

The Real Estate and Facility Planning department's responsibilities include all real estate activities of the agency including but not limited to: leasing, purchase, sale and development of property; as well as right-of-way license agreements, master facility and space planning.

### FY2017 Accomplishments

- ◆ Demonstrate Value of Public Transportation in a Dynamic Community
  - Received approval for zoning change for Plaza Saltillo District master development.
  - Acquired a Blanket Fiber Optic Easement Release from Union Pacific enabling Plaza Saltillo project to proceed.
  - Finalized Plaza Saltillo District agreement.
  - Began construction on Plaza Saltillo development.
  - Issued RFP for transit-oriented development of Lakeline Station Park & Ride.
  - Completed the Facility Programming Study and Master Plan.
  - Continued to manage the Plaza Saltillo development project.

### FY2018 Planned Initiatives

- ◆ Finance
  - Continue to increase revenue in rail right-of-way licensing and fees.
  - Implement right-of-way tracking software.
  - Continue to manage Plaza Saltillo development project.
  - Finalize agreement for the development of Lakeline Station Park & Ride.



### Real Estate and Facility Planning Organization Chart





## Budget Changes

### Labor and Benefits

Net decrease of \$58,858 due to transferring 1 full-time equivalent position to the Property and Asset Management department, partially offset by the approved performance-based pay increases to become effective in January 2018.

### Other Expenses

Net decrease of \$357,509 primarily due to lower-than-expected spending of \$110,170 in Other Professional Fees related to real estate services. A net decrease of \$278,949 across all lease accounts includes lower-than-expected spending related to the expense commonly known as "triple net", wherein the tenant or lessee agrees to pay all real estate taxes, building insurance and maintenance expense, for the Crestview and Triangle locations. Leases at Kramer, South IH-35 and Oak Hill that were approved in FY2017, were not pursued during the period and will not be pursued in FY2018. The expense related to leasing an administrative facility, was delayed and resulted in a lower amount for FY2018.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$333,985	\$409,546	\$366,854	\$355,469	(\$54,077)	(13.2%)
Overtime - Administrative	15	-	-	-	-	0.0%
FICA-Admin	28,147	30,752	30,752	26,313	(4,439)	(14.4%)
State Unemployment-Admin	684	1,026	1,026	684	(342)	(33.3%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>362,832</b>	<b>441,324</b>	<b>398,632</b>	<b>382,466</b>	<b>(58,858)</b>	<b>(13.3%)</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	1,182,494	701,500	801,500	591,330	(110,170)	(15.7%)
Permits And Fees	2,317	-	-	1,000	1,000	0.0%
Temporary Help	252,997	130,000	100,000	110,000	(20,000)	(15.4%)
Repair & Maintenance-Other	11,587	120,000	120,000	150,000	30,000	25.0%
Other Services	25,447	60,000	50,000	79,200	19,200	32.0%
Office Supplies	1,761	3,500	3,500	3,500	-	0.0%
Dues And Subscriptions	745	10,770	10,770	10,930	160	1.5%
Airfare - Transportation	485	-	-	-	-	0.0%
Travel - Per Diem	207	504	504	504	-	0.0%
Seminar, Conferences, Registration	655	2,400	2,400	3,550	1,150	47.9%
Lodging	1,951	1,800	1,800	1,800	-	0.0%
Postage	26	300	100	100	(200)	(66.7%)
Other Miscellaneous Expenses	30	-	-	300	300	0.0%
Lease-Passenger Stations	230,135	173,200	150,200	76,200	(97,000)	(56.0%)
Lease-Passenger Parking Facilities	354,994	643,291	414,200	454,200	(189,091)	(29.4%)
Lease-Operating Yard/Storage	60,000	60,000	60,000	140,000	80,000	133.3%
Lease-Administrative Facility	992,891	1,305,180	1,017,180	1,232,322	(72,858)	(5.6%)
<b>TOTAL OTHER EXPENSES</b>	<b>3,118,723</b>	<b>3,212,445</b>	<b>2,732,154</b>	<b>2,854,936</b>	<b>(357,509)</b>	<b>(11.1%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,481,555</b>	<b>\$3,653,769</b>	<b>\$3,130,786</b>	<b>\$3,237,402</b>	<b>(\$416,367)</b>	<b>(11.4%)</b>

## RideShare

### Functions and Responsibilities

The RideShare department oversees contractors that provide alternative transportation services to reduce the number of single occupancy vehicles on area roads. The department oversees providers the van/carpool operations, including the ongoing performance and commuter ride-matching services in an effort to reduce congestion and improve air quality. In addition, the RideShare oversees the Guaranteed Ride Home program for all modes of service. The service is provided through a contract with EAN Holdings, LLC.

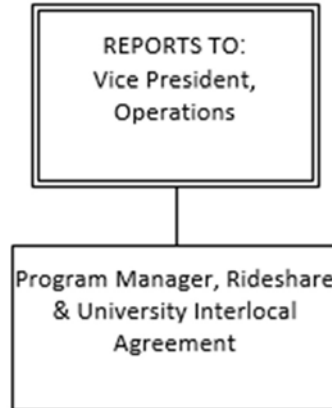
### FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Refined business-to-business sales and customer care activities in conjunction with service provider to focus on improving rider recruitment, customer onboarding and regular operational assessments.
  - Launched a micro social media ridership campaign through low-cost paid ads targeting specific commuter communities.
  - Expanded sales activities to focus on the residential market supported by social media campaign.
- ◆ Demonstrate Regional Leadership
  - Continued to pursue expansion and funding opportunities in the region.
  - Worked with transportation partners to create a promotional video that showcases vanpooling as a positive, easy and fun way to commute to work.
  - Continued to build relationships with transportation partners, positioning vanpooling as a core component of transportation options in the region.

### FY2018 Planned Initiatives

- ◆ Customer Experience
  - Ongoing employer and community engagement.
  - Development of a new scope of service for procurement of vanpool services to go into effect early FY2019.

### RideShare Department Organizational Chart



### Budget Changes

#### Labor and Benefits

Increase of \$3,991 due to the approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Increase of \$33,314 due to an increase in the number of vanpool vehicles in FY2018 compared to FY2017. The FY2017 budget included funding for 233 vanpools by the end of the year and the department now anticipates 245 vanpools. The FY2018 budget includes funding for 267 vanpools by the end of the year.



Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$70,355	\$71,148	\$71,148	\$74,705	\$3,557	5.0%
FICA-Admin	5,270	5,323	5,323	5,757	434	8.2%
State Unemployment-Admin	171	171	171	171	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>75,796</b>	<b>76,642</b>	<b>76,642</b>	<b>80,633</b>	<b>3,991</b>	<b>5.2%</b>
<b>OTHER EXPENSES</b>						
Office Supplies	232	-	170	170	170	0.0%
Other Supplies	-	1,200	1,200	1,500	300	25.0%
GRH Reimbursement	119	1,200	1,200	1,200	-	0.0%
Vride - Rideshare	1,996,972	2,658,724	2,322,071	2,691,043	32,319	1.2%
Dues And Subscriptions	575	575	575	575	-	0.0%
Airfare - Transportation	758	550	550	575	25	4.5%
Travel - Per Diem	207	250	250	250	-	0.0%
Seminar, Conferences, Registration	550	550	975	1,000	450	81.8%
Lodging	664	550	600	600	50	9.1%
Other Miscellaneous Expenses	325	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>2,000,401</b>	<b>2,663,599</b>	<b>2,327,591</b>	<b>2,696,913</b>	<b>33,314</b>	<b>1.3%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,076,197</b>	<b>\$2,740,241</b>	<b>\$2,404,233</b>	<b>\$2,777,546</b>	<b>\$37,305</b>	<b>1.4%</b>

# Risk Management and Safety

## Functions and Responsibilities

The Risk Management and Safety department's mission is to consult with other departments and contractors to minimize human and economic losses to the public, employees and Capital Metro and to identify hazardous conditions and reduce potential injuries, accidents and property damage. The department also obtains cost-effective insurance coverage and processes all liability, subrogation and worker's compensation claims. All accidents and injuries are investigated and recommendations made for preventive measures based on identified trends. The Risk Management department also leads the organization-wide efforts to implement Enterprise Risk Management (ERM).

In addition, the department's goal is to ensure the safety of employees, customers, facilities and equipment. To accomplish these goals, staff reviews policies and procedures, monitors the operation of all services and takes a proactive role in the identification of measures to address hazards. This includes development of a centralized structure for managing organizational safety and security plans in a contracted service model. The department handles all aspects of implementing safety management systems (SMS) throughout the organization.

## FY2017 Accomplishments

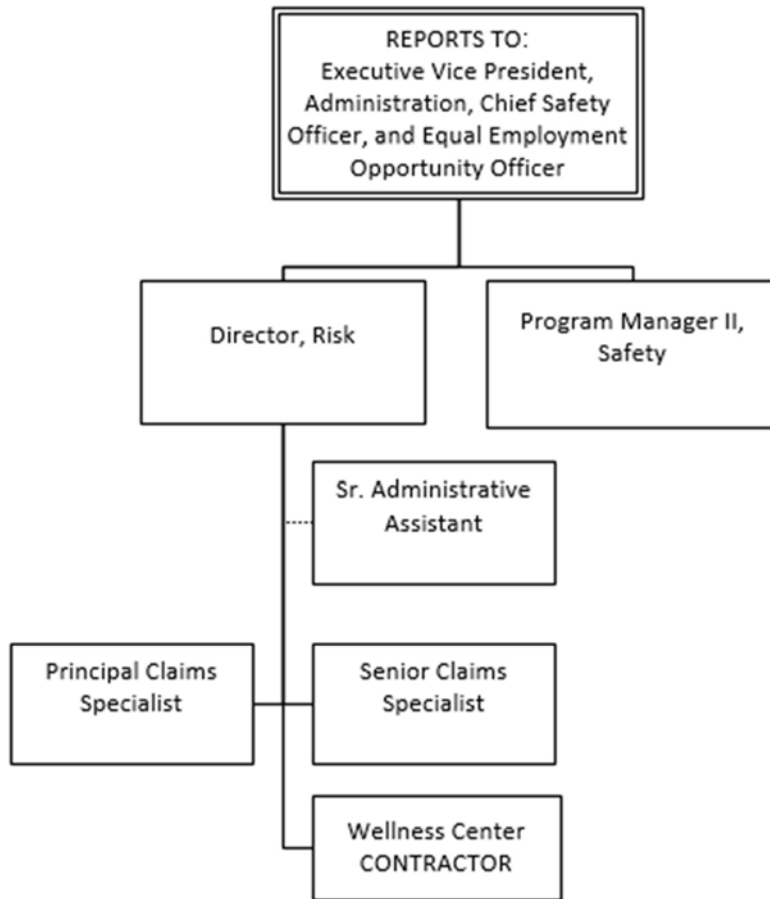
- ◆ Deliver the Best Possible Customer Experience
  - Developed a safety promotion and communication plan with internal and external partners.
  - Partnered with city of Austin on the Vision Zero Action Plan.
  - Coordinated completion of the bus crash study by the Texas Transportation Institute and implemented recommended countermeasures.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Administered Safety Culture Survey to gather employee input and recommendations on safety practices.
  - Developed the first ever Enterprise Risk Management Policy to gather anonymous feedback from frontline employees on safety risks.
  - Implemented our first Employee Reporting System (ERS).

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Fully implement SMS throughout the organization.

- ◆ Human Capital
  - Identify and provide training to Capital Metro and service provider staff to comply with training requirements of the FAST Act.
  - Implement the Safety Champion Program to recognize Capital Metro and contractor employees who make significant contributions to safety.
- ◆ Finance
  - Implement ERM and communicate the principals throughout the organization.

**Risk Management and Safety Department Organizational Chart**





## **Budget Changes**

### **Labor and Benefits**

Net decrease of \$23,365. Increase of \$34,973 in salary & wages from the approved performance-based pay increases to become effective in January 2018, and an additional full-time equivalent for a department senior administrative assistant. Decrease of worker's comprehensive insurance claims of \$50,000 and related premiums of \$11,000 are due to a lower anticipated claim potential in FY2018.

### **Other Expenses**

Net decrease of \$38,867 is due to the reduction of temporary help expense of \$59,072 with the addition of a senior administrative assistant, a reduction of the anticipated physical damage recoveries of \$75,000, reduced rail liability claim payments of \$50,000 and reduced rail liability premiums of \$15,000, offset by the increase in other business insurance of \$30,000.





Capital Metropolitan Transportation Authority Approved FY2018  
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$284,374	\$389,286	\$373,202	\$424,259	\$34,973	9.0%
Overtime - Administrative	72	-	-	-	-	0.0%
Intern Pay	10,477	-	-	-	-	0.0%
FICA-Admin	27,664	29,167	29,167	31,829	2,662	9.1%
State Unemployment-Admin	856	855	855	855	-	0.0%
Expense For W/C Claims	(147,476)	250,000	250,000	200,000	(50,000)	(20.0%)
W/C Admin Fees (2% Of Claims)	336	600	600	600	-	0.0%
Premiums For W/C Losses	25,799	25,000	25,000	14,000	(11,000)	(44.0%)
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>202,103</b>	<b>694,908</b>	<b>678,824</b>	<b>671,543</b>	<b>(23,365)</b>	<b>(3.4%)</b>
<b>OTHER EXPENSES</b>						
Medical Services	6,134	10,000	10,000	10,000	-	0.0%
Other Professional Fees	129,438	173,750	133,750	173,750	-	0.0%
Temporary Help	15,791	59,072	40,000	-	(59,072)	(100.0%)
Repair & Maintenance-Other	-	1,500	1,500	1,500	-	0.0%
Other Services	189,324	228,850	228,850	225,000	(3,850)	(1.7%)
Gasoline	13	4,580	800	2,000	(2,580)	(56.3%)
Office Supplies	3,736	4,200	4,200	4,200	-	0.0%
Other Supplies	16,503	18,559	18,559	18,559	-	0.0%
Non Capital Equipment	6,687	4,300	4,300	4,300	-	0.0%
Non-Capital Projects	7,130	-	-	-	-	0.0%
Telephone-Local	-	1,550	-	-	(1,550)	(100.0%)
Property Insurance Premiums	101,898	121,752	121,752	121,752	-	0.0%
Physical Damage Recoveries	(218,411)	(150,000)	(75,000)	(75,000)	75,000	(50.0%)
Rail Liability Claim Payments	6,282	150,000	150,000	100,000	(50,000)	(33.3%)
Rail Liability Premiums	-	15,000	-	-	(15,000)	(100.0%)
Vehicle Liability Premiums	13,211	55,792	55,792	36,000	(19,792)	(35.5%)
Auto Liability Loss	665,798	600,000	600,000	600,000	-	0.0%
Public Officials Liab. Premiums	24,186	28,000	42,000	45,000	17,000	60.7%
Crime Insurance Premium	7,560	9,000	9,000	9,000	-	0.0%
Other Business Insurance	80,635	110,000	125,000	140,000	30,000	27.3%
Gasoline Fuel Tax	-	350	350	350	-	0.0%
Dues And Subscriptions	1,155	2,007	2,007	2,007	-	0.0%
Airfare - Transportation	1,899	6,000	6,000	3,700	(2,300)	(38.3%)
Travel - Per Diem	2,564	4,293	4,293	1,800	(2,493)	(58.1%)
Seminar, Conferences, Registration	5,312	9,500	9,500	8,350	(1,150)	(12.1%)
Lodging	3,197	8,080	8,080	4,000	(4,080)	(50.5%)
Travel - Other	96	-	-	-	-	0.0%
Business Meals - Local	-	-	-	1,000	1,000	0.0%
Postage	389	504	504	504	-	0.0%
Other Miscellaneous Expenses	(94)	200	200	200	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>1,070,432</b>	<b>1,476,839</b>	<b>1,501,437</b>	<b>1,437,972</b>	<b>(38,867)</b>	<b>(2.6%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,272,534</b>	<b>\$2,171,747</b>	<b>\$2,180,261</b>	<b>\$2,109,515</b>	<b>(\$62,232)</b>	<b>(2.9%)</b>

# Security

## Functions and Responsibilities

The Security department's primary goal is to provide a safe and secure transportation system for employees, contractors and the public by conducting frequent patrols on foot, in vehicles and electronically. The department maintains professional development and training of security personnel to enhance or increase skill levels. Additionally, Security collaborates with local law enforcement agencies and community entities to provide enhanced services to the customers, employees and contractors. The Security department maintains the access control components for all facilities, including the rail corridor.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Increased visibility of Austin Police Department (APD) officers on board buses to prevent crimes against bus operators and customers.
  - Provided security for major events such as South by Southwest, ACL Festival and Pecan Street Festival.
  - Completed Threat Vulnerability Assessment for all Metro facilities and rail operations.
  - Installed security camera system at North Lamar Transit Center.
  - Received grant from FEMA in amount of \$550,000 to enhance facility security.
  - Coordinated emergency tabletop exercise in partnership with the Transportation Security Administration involving all Central Texas first responder organizations.
  - Increased security for South by Southwest with the Transportation Security Administration (TSA) Visible Intermodal Prevention and Response team (VIPR).
  - Revised agreement with APD to allow off-duty officers to issue criminal trespass notices on behalf of Capital Metro.
  - Replaced camera system on trains.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Increased frequency of security sweeps of Capital Metro's rail property between Austin and Giddings, Austin and Marble Falls, and Austin and Llano through the General Code of Operating Rules.
  - Certified APD officers as Hy-Rail qualified.
  - Continued fare administration and inspection program including fine administration to enforce payment of appropriate fares on MetroRail and MetroRapid. Achieved a fare evasion rate of less than 2 percent.

- Coordinated staff emergency drills to enhance preparedness and awareness.
- Upgraded facility access control system to enhance facility security.

### **FY2018 Planned Initiatives**

#### **◆ Customer Experience**

- Purchase additional security vehicles with the color and configuration schemes of APD to increase visibility and deterrence.
- Complete implementation of recommended facility security enhancements based on the threat vulnerability assessment.
- Upgrade security cameras at various facilities in the service area.
- Provide security for major events such as South by Southwest, ACL Festival and Pecan Street Festival.

#### **◆ Community**

- Coordinate emergency response exercises with partner agency and first responders in the service area and along the rail right-of-way.

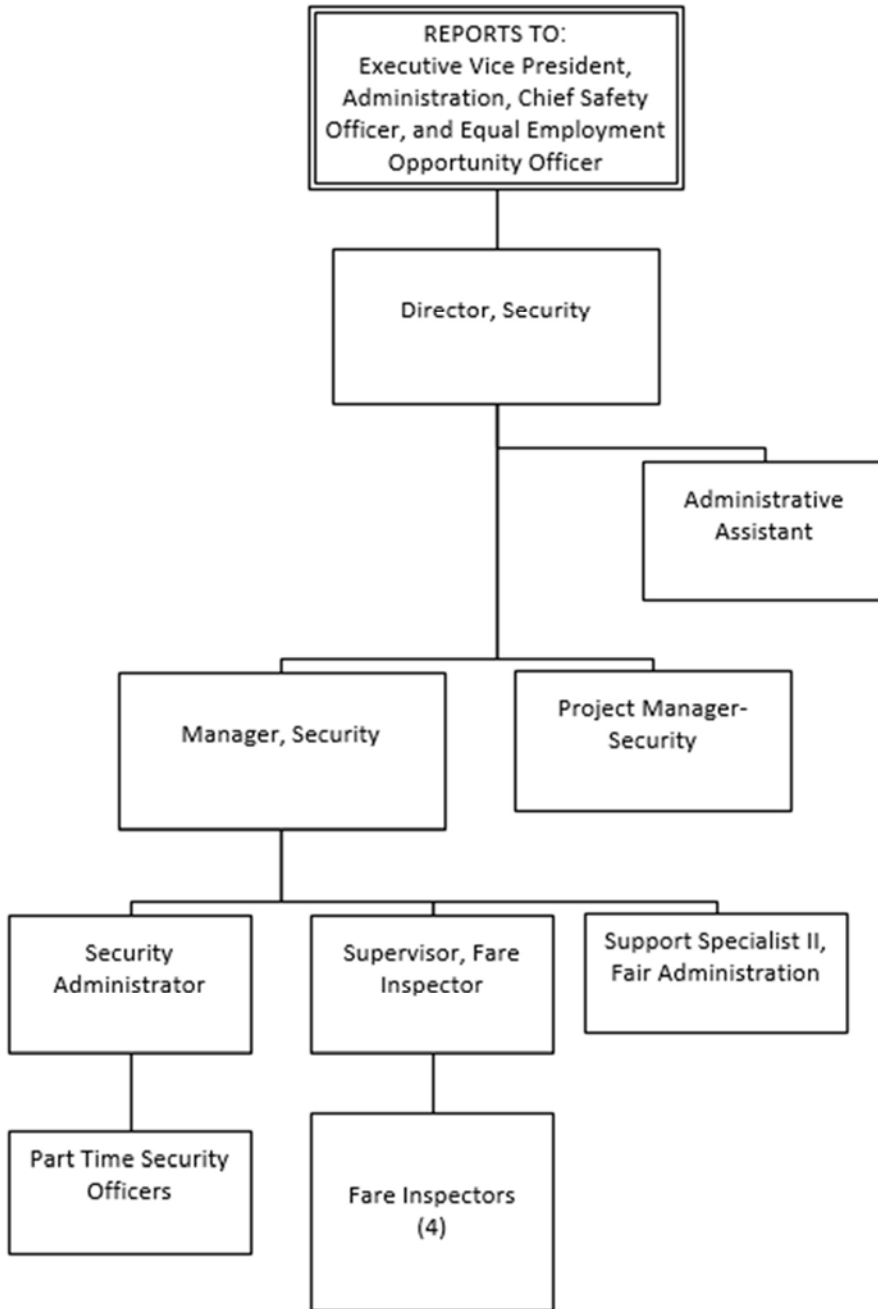
#### **◆ Human Capital**

- Coordinate emergency response drills such as active shooter, fire and tornado.
- Conduct security awareness training for Capital Metro and contractor employees.

#### **◆ Finance**

- Continue fare administration and inspection program and maintain a fare evasion rate of less than 2 percent.

### Security Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$324,432 largely due to a required 3 percent increase in APD rates and increased hours to improve coverage for \$275,272.

#### Other Expenses

Net increase of \$35,868 driven by decrease of \$120,000 from prior year threat vulnerability assessment that is now complete and a contractual increase to security services of \$175,000.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$397,381	\$617,720	\$569,454	\$635,452	\$17,732	2.9%
Overtime - Administrative	26,420	16,000	18,000	16,000	-	0.0%
Salaries & Wages - Apd Officers	1,780,055	1,875,380	1,875,380	2,150,652	275,272	14.7%
FICA-Admin	170,415	182,776	182,776	213,334	30,558	16.7%
State Unemployment-Admin	20,749	5,711	20,413	6,581	870	15.2%
Uniform Allowance-Admin.	3,132	3,500	3,200	3,500	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>2,398,151</b>	<b>2,701,087</b>	<b>2,669,223</b>	<b>3,025,519</b>	<b>324,432</b>	<b>12.0%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	49,817	160,000	78,159	40,000	(120,000)	(75.0%)
Temporary Help	113,203	-	1,035	-	-	0.0%
Maintenance-Radios	32,528	-	-	-	-	0.0%
Repair & Maintenance-Other	56,008	115,000	100,000	110,000	(5,000)	(4.3%)
Security Services	1,110,442	925,000	925,000	1,100,000	175,000	18.9%
Other Services	5,030	5,000	5,000	5,000	-	0.0%
Gasoline	61,459	60,000	60,000	50,000	(10,000)	(16.7%)
Office Supplies	8,624	8,004	8,004	8,004	-	0.0%
Training Materials	1,382	-	-	-	-	0.0%
Expendable Tools & Equipment	549	-	-	-	-	0.0%
Other Supplies	4,399	5,000	250	5,000	-	0.0%
Non Capital Equipment	1,156	5,004	5,004	5,004	-	0.0%
Telephone-Local	-	5,004	80	5,004	-	0.0%
Telephone-Long Distance	89	-	-	-	-	0.0%
Gasoline Fuel Tax	1,876	6,132	-	-	(6,132)	(100.0%)
Dues And Subscriptions	82	-	-	-	-	0.0%
Airfare - Transportation	1,266	2,000	2,400	2,500	500	25.0%
Travel - Per Diem	737	1,000	1,800	1,500	500	50.0%
Toll Road Charges	75	-	-	-	-	0.0%
Seminar, Conferences, Registration	825	1,500	3,150	2,000	500	33.3%
Lodging	1,522	2,000	2,000	2,500	500	25.0%
Travel - Other	8	-	100	-	-	0.0%
Business Meals - Local	486	-	1,000	-	-	0.0%
Postage	76	-	20	-	-	0.0%
Other Miscellaneous Expenses	403	-	200	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>1,452,041</b>	<b>1,300,644</b>	<b>1,193,202</b>	<b>1,336,512</b>	<b>35,868</b>	<b>2.8%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,850,192</b>	<b>\$4,001,731</b>	<b>\$3,862,425</b>	<b>\$4,362,031</b>	<b>\$360,300</b>	<b>9.0%</b>

# Strategic Operations Management and Administration

## Functions and Responsibilities

The Strategic Operations Management and Administrative department provides oversight and guidance for all Capital Metro departments including Capital Metro's bus, paratransit, freight rail, commuter rail, maintenance safety, security and information technology.

### FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Completion of Lakeline Station improvements.
  - Took delivery of 2 trains that will enable frequency enhancements.
  - Took delivery of new fixed-route vehicles.
  - Took delivery of new MetroRapid vehicles for expanded service.
  - Took delivery of new MetroExpress coaches.
  - Awarded grant for positive train control.
  - Launched Pickup service.
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Automated work order process for rail operations.
  - Completed master facility plan.
  - Adopted a new strategic plan.
  - Implemented enterprise project management framework.
  - Facilitated capital budget prioritization with Decision Lens.

### FY2018 Planned Initiatives

- ◆ Customer Experience
  - Initiate paratransit service provider solicitation.
  - Introduce 2 new trains for improved service frequency and increased capacity.
  - Complete TIGER Grant projects.

◆ Ridership

Initiate construction of the Plaza Saltillo District.

- Launch the development of Lakeline Station.

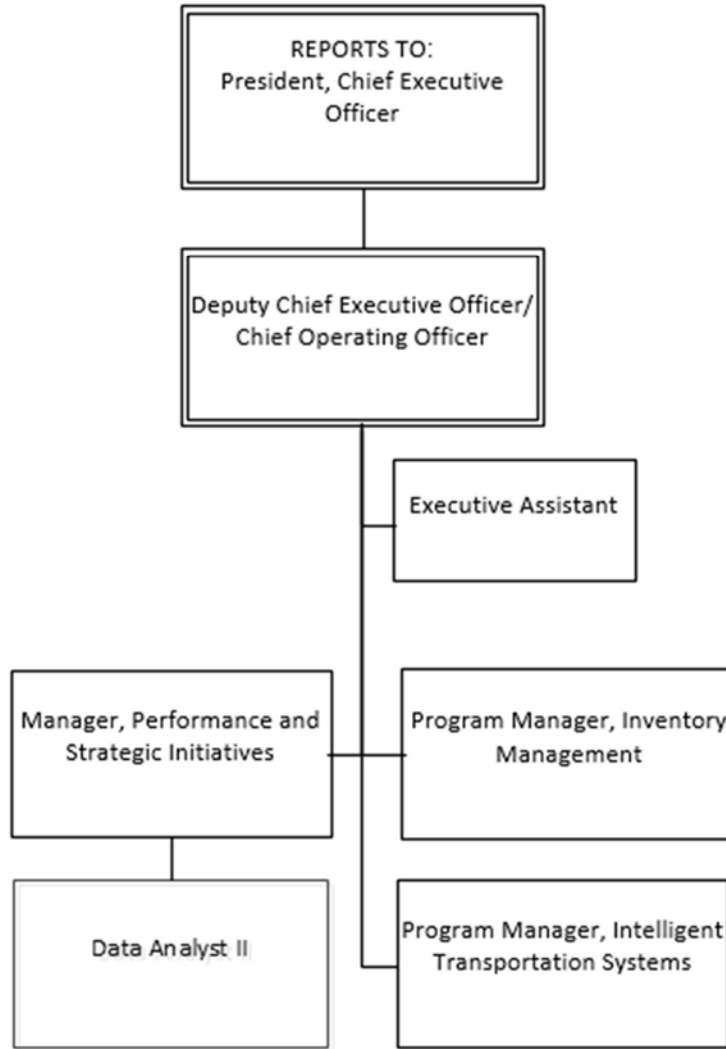
◆ Human Capital

- Launch Leaders en Route for employees.

◆ Finance

- Continue efforts to streamline key performance indicators by developing a data warehouse.
- Introduce enterprise project management software solution to streamline project portfolio management.
- Expand the use of Decision Lens and incorporate into key agency decision-making.
- Initiate the asset management system.
- Begin improvements to the rail line to Elgin.

### Strategic Operations Management and Administration Department Organizational Chart







### Budget Changes

#### Labor and Benefits

Increase of \$17,194 due to approved performance-based pay increases to become effective in January 2018.

#### Other Expenses

Decrease of \$7,000 in Seminar, Conference and Registration is a reduction to adjust for changes to the requirements of the department.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$493,460	\$615,538	\$608,897	\$637,860	\$22,322	3.6%
Overtime - Administrative	184	-	-	-	-	0.0%
FICA-Admin	35,082	46,140	46,140	41,696	(4,444)	(9.6%)
401K	25,109	25,104	25,104	25,104	-	0.0%
State Unemployment-Admin	855	1,710	1,710	1,026	(684)	(40.0%)
Automobile	7,477	7,200	7,200	7,200	-	0.0%
Other Benefits - Admin	(100)	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>562,068</b>	<b>695,692</b>	<b>689,051</b>	<b>712,886</b>	<b>17,194</b>	<b>2.5%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	72,195	68,000	68,000	68,000	-	0.0%
Temporary Help	22,052	-	-	-	-	0.0%
Office Supplies	2,794	1,000	1,000	1,000	-	0.0%
Airfare - Transportation	1,941	2,200	2,200	2,200	-	0.0%
Travel - Per Diem	490	984	984	984	-	0.0%
Seminar, Conferences, Registration	7,277	15,000	15,000	8,000	(7,000)	(46.7%)
Lodging	1,093	2,500	2,500	2,500	-	0.0%
Travel - Other	-	3,000	3,000	3,000	-	0.0%
Other Miscellaneous Expenses	100	-	-	-	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>107,942</b>	<b>92,684</b>	<b>92,684</b>	<b>85,684</b>	<b>(7,000)</b>	<b>(7.6%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$670,009</b>	<b>\$788,376</b>	<b>\$781,735</b>	<b>\$798,570</b>	<b>\$10,194</b>	<b>1.3%</b>

# Strategic Planning and Development

## Functions and Responsibilities

The Strategic Planning and Development department functions are divided into 5 major areas of responsibility: Service Planning and Scheduling, Long-Range Planning and Transit-Oriented Development, Environmental Sustainability, Metropolitan Mobility and Service Analysis. Each function is designed to support the planning, development, evaluation and ultimate delivery of public transportation solutions and infrastructure.

## FY2017 Accomplishments

- ◆ Deliver the Best Possible Customer Experience
  - Completed and received board approval for Connections 2025, resulting in a 5 and 10-year service plan designed to improve transit service in the community and respond to changing mobility needs and demands.
  - Initiated Project Connect study to assess current services, and evaluate and prioritize new high-capacity transit services into, out of and around Central Austin.
  - Developed and helped to implement 3 service changes to adjust and improve service.
- ◆ Demonstrate Regional Leadership
  - Continued to work with suburban jurisdictions to develop and implement transit development plans (TDPs), leading to service implementation in Round Rock and Georgetown, and continued planning in Hutto, Buda and Pflugerville.
  - Partnered with the city of Austin through the Transit Priority Working Group to identify and implement various approaches to improving transit speed and reliability.
  - Continued partnerships with TxDOT and Central Texas Regional Mobility Authority (CTRMA) to incorporate transit-supportive features (Park & Rides, transit priority access, etc.) into their roadway projects.
  - Developed and proposed plan for high-capacity transit service in the I-35 corridor with work now underway to fund and incorporate in the overall program.
  - Initiated a comprehensive effort to track utility use at each Capital Metro facility with objective to set efficiency goals and reduce water and energy use.
- ◆ Demonstrate the Value of Public Transportation in a Dynamic Community
  - Developed and promoted the Transit-Oriented Development (TOD) Priority Tool to support TOD development and transit-supportive infrastructure near MetroRail and MetroRapid stations.
  - Coordinated with Community Involvement and consultant teams for major public involvement efforts for both Connections 2025 and Project Connect, leading to increased support and understanding of those initiatives.

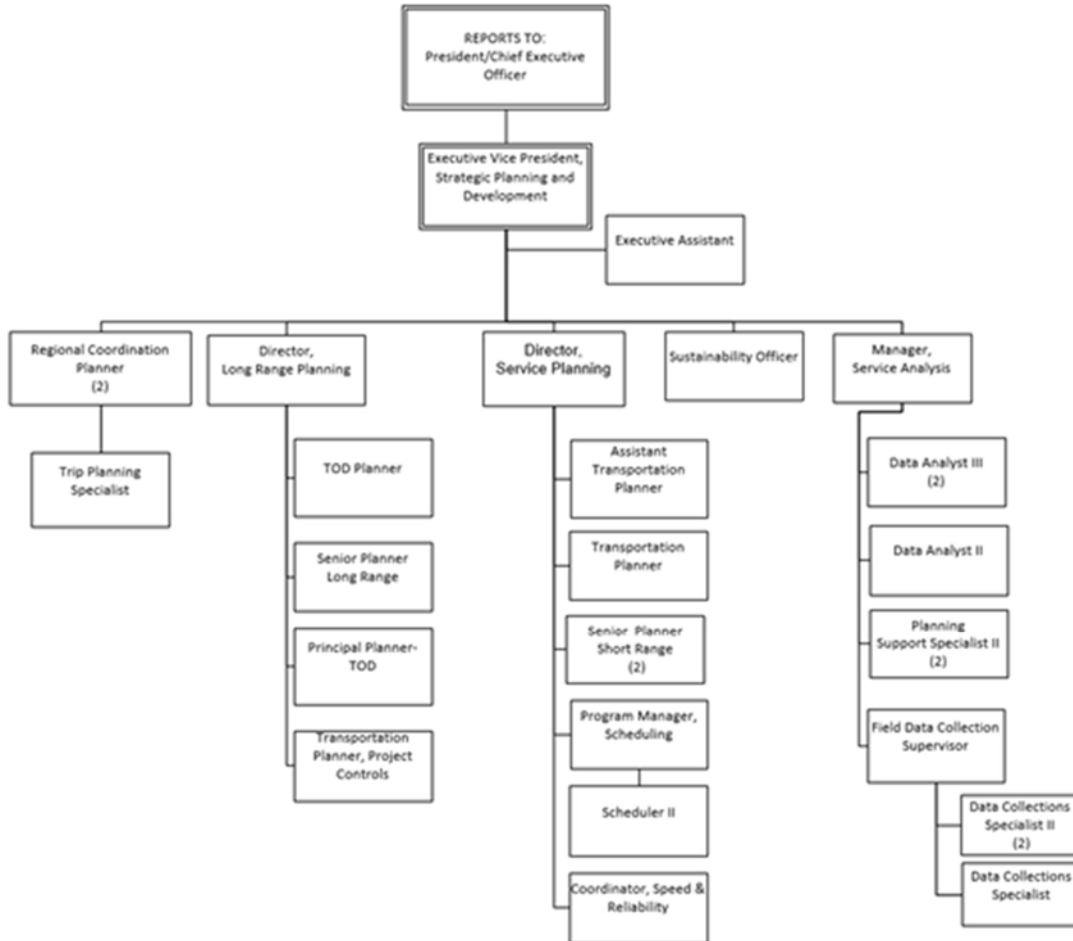
- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Supported several high-impact training and peer-to-peer opportunities for department staff, including Leaders in Motion, industry conference attendance and presentation and participation in research panels.
  - Developed and implemented employee and contractor mobility plan to encourage and increase use of transit and other non-single occupant vehicle commuting.
  - Continued to work under American Public Transportation Association (APTA) Sustainability Commitment program with the goal of advancing from current Silver Level to Gold Level by year end.

### **FY2018 Planned Initiatives**

- ◆ Customer Experience
  - Implement revamped MetroExpress service on North MoPac to gain travel time advantage from Express Lanes for faster, more reliable commuter service.
  - Begin implementation of the Transit Speed and Reliability Program in partnership with Austin Transportation Department to develop and implement transit-priority treatments.
- ◆ Ridership
  - Implement first main phase of Connections 2025 with major expansion of High-Frequency Route Network and improved route efficiency and effectiveness while also preparing an implementation plan and conducting community involvement for Mobility Innovation Zones in FY 2019.
  - Continue to work with suburban jurisdictions to develop and implement TDPs.
  - Continue partnerships with TxDOT and CTRMA to incorporate transit-supportive features (Park & Rides, transit priority access, etc.) into their roadway projects.
  - Continue development of plan for high-capacity transit service in the I-35 corridor.
  - Promote and update the Transit Oriented Development Tool to help catalyze transit-oriented development near MetroRapid and MetroRail stations and take other actions to support more transit-supportive land uses along major transit corridors.
- ◆ Community
  - Increase role and awareness of Office of Mobility Management, a partnership between Capital Metro and CARTS, to improve regional transit coordination and service provision across jurisdictional boundaries.
  - Continue participation in the I-35, US 183 North, SW 45 and MoPac South planning and environmental studies to ensure transit is fully considered. Seek funding for Park & Rides that work in coordination with these roadway projects.

- Continue participation in the CAMPO's planning process and Imagine Austin Plan/Code Next development process to ensure transit is represented.
- ◆ Human Capital
  - Support staff participation in professional development and training opportunities.
  - Continue to work with multi-departmental team to improve the service change process.
- ◆ Finance
  - Advance work on Environmental and Sustainability Management System to achieve ISO 9001 certification.
  - Develop and initiate roadmap for implementing electric bus conversion consistent with Connections 2025 fleet plan to improve operating efficiency, lower emissions and reduce carbon-fuel dependence.
  - Through Project Connect and other planning initiatives, track emerging funding opportunities and best practices from peer agencies in identifying and securing new funding to support improved service and facilities.
  - Continue to advance priority projects into project development, including environmental review and preliminary design, so they can more effectively compete for grant funding opportunities.
  - Implement a Mobility and Active Transportation Plan within agency (telecommuting, bus to work)

### Strategic Planning and Development Department Organizational Chart





### Budget Changes

#### Labor and Benefits

Increase of \$282,568 driven by the addition of a coordinator, transit speed and reliability, a regional coordination planner, as well as for the approved performance-based pay increases to become effective in January 2018. Increase partially offset by foregoing the replacement of a data collection specialist position.

#### Other Expenses

Net decrease of \$623,307 driven by \$600,000 in reduced needs for planning studies, and \$18,800 in Temporary Help reduction, partially offset by an increase of \$25,000 in Other Services for the Capital Area Council of Governments (CAPCOG) Commute Solutions Program.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Salaries & Wages - Admin.	\$1,753,651	\$1,920,634	\$1,857,775	\$2,183,553	\$262,919	13.7%
Overtime - Administrative	11,322	-	-	-	-	0.0%
FICA-Admin	133,635	143,019	142,084	162,453	19,434	13.6%
State Unemployment-Admin	4,604	4,745	4,513	4,959	214	4.5%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>1,903,211</b>	<b>2,068,398</b>	<b>2,004,372</b>	<b>2,350,966</b>	<b>282,568</b>	<b>13.7%</b>
<b>OTHER EXPENSES</b>						
Consultation Fees	1,159,747	1,450,000	1,100,000	850,000	(600,000)	(41.4%)
Other Professional Fees	340	-	-	-	-	0.0%
Temporary Help	9,949	33,800	24,551	15,000	(18,800)	(55.6%)
Courier And Delivery Services	-	60	60	60	-	0.0%
Other Services	-	-	-	25,000	25,000	0.0%
Gasoline	698	564	564	564	-	0.0%
Office Supplies	13,163	8,085	8,085	8,085	-	0.0%
Training Materials	124	-	-	-	-	0.0%
Other Supplies	3,013	12,464	12,464	1,706	(10,758)	(86.3%)
Telephone-Local	2,880	4,680	4,680	4,680	-	0.0%
Gasoline Fuel Tax	31	125	125	125	-	0.0%
Dues And Subscriptions	8,811	12,790	12,790	9,000	(3,790)	(29.6%)
Airfare - Transportation	8,446	15,770	8,697	12,416	(3,354)	(21.3%)
Travel - Per Diem	4,320	10,807	5,960	8,559	(2,248)	(20.8%)
Toll Road Charges	-	215	215	215	-	0.0%
Seminar, Conferences, Registration	9,385	22,025	12,146	15,800	(6,225)	(28.3%)
Lodging	6,570	18,372	10,132	15,240	(3,132)	(17.0%)
Travel - Other	248	-	-	-	-	0.0%
Business Meals - Local	532	-	-	-	-	0.0%
Postage	17	60	60	60	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>1,228,273</b>	<b>1,589,817</b>	<b>1,200,529</b>	<b>966,510</b>	<b>(623,307)</b>	<b>(39.2%)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$3,131,485</b>	<b>\$3,658,215</b>	<b>\$3,204,901</b>	<b>\$3,317,476</b>	<b>(\$340,739)</b>	<b>(9.3%)</b>

# Wellness and Fitness Centers

## Functions and Responsibilities

The Wellness and Fitness Center department's mission is to partner with our employees and contractors to improve and maintain healthy long-term lifestyle habits to create a workforce that fulfills Capital Metro's mission. The primary responsibilities are to develop innovative programs, create awareness of opportunities to change behaviors and develop healthy habits, improve morale, coordinate wellness initiatives and develop and manage fitness centers for Capital Metro.

## FY2017 Accomplishments

- ◆ Continue to Improve Organizational Practices and Develop Staff
  - Developed and implemented new initiatives aimed at improving employee nutrition.
  - Employed technology as a force multiplier to assist members in enhancing employee fitness and overall health.
  - Further promoted the nexus between health and safety with an eye toward reducing accidents and time lost from work.
  - Received CEO Cancer Gold Standard accreditation.
  - Named one of Austin's Healthiest Employers by the *Austin Business Journal*.

## FY2018 Planned Initiatives

- ◆ Customer Experience
  - Work with service providers to communicate the importance of employee health in improving safety and reducing collisions.
- ◆ Human Capital
  - Implement employee tracking software to improve record keeping and reduce time and effort spent dealing with paperwork.
  - Develop and implement new programs aimed at improving the ergonomics of our workplace including company vehicles.



### Budget Changes

#### Labor and Benefits

No significant changes to this expense for FY2018.

#### Other Expenses

The net increase of \$1,000 is due to a contractually agreed rate increase. The cost of the Wellness Program is offset by estimated revenue in FY2018 of approximately \$215,000 collected from gym fees from Capital Metro's employees and its contractors.

	FY 2016 ACTUAL	FY 2017 BUDGET	FY 2017 FORECAST	FY 2018 BUDGET	Var \$ FY 2018 vs. FY 2017	Var % FY 2018 vs. FY 2017
<b>LABOR &amp; BENEFITS</b>						
Wellness Center Exp	\$31,767	\$36,500	\$36,500	\$36,500	-	0.0%
Wellness Center Employee Payroll Deduction	1,498	-	-	-	-	0.0%
<b>TOTAL LABOR &amp; BENEFITS</b>	<b>33,265</b>	<b>36,500</b>	<b>36,500</b>	<b>36,500</b>	<b>-</b>	<b>0.0%</b>
<b>OTHER EXPENSES</b>						
Other Professional Fees	232,517	215,000	216,000	216,000	1,000	0.5%
Other Services	1,340	4,500	4,500	4,500	-	0.0%
Office Supplies	1,558	1,000	1,000	1,000	-	0.0%
Other Supplies	4,913	6,500	6,500	6,500	-	0.0%
Dues And Subscriptions	165	150	150	150	-	0.0%
Seminar, Conferences, Registration	150	200	200	200	-	0.0%
Postage	4	25	25	25	-	0.0%
Recognition Program	10,499	12,500	12,500	12,500	-	0.0%
<b>TOTAL OTHER EXPENSES</b>	<b>251,147</b>	<b>239,875</b>	<b>240,875</b>	<b>240,875</b>	<b>1,000</b>	<b>0.4%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$284,412</b>	<b>\$276,375</b>	<b>\$277,375</b>	<b>\$277,375</b>	<b>\$1,000</b>	<b>0.4%</b>



## GLOSSARY

**AAC:** Access Advisory Committee

**Accounting Basis:** Capital Metro utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on an accrual basis.

**Accrual Based Accounting:** Revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

**ADA:** Americans with Disabilities Act – Federal legislation enacted to provide guidelines for assuring access to person with disabilities.

**AISD:** Austin Independent School District

**American Public Transportation Association (APTA):** Membership organization whose stated mission is to serve and lead its diverse membership through advocacy, innovation and information sharing to strengthen and expand public transportation.

**Associated Capital Maintenance (ACM):** A Federal Transit Administration capital program that subsidizes the cost of operations through the funding of certain bus and rail maintenance expenses.

**Average Fare:** Operating revenue (farebox and third party fares) divided by the number of boardings.

**AVT:** Alternate Vehicle Technology

**Boardings:** Number of passengers utilizing transit service, measured on entrance of vehicle.

**BRT:** Bus Rapid Transit

**Build Central Texas** (formerly Build Greater Austin) was created in 1994 to support the transportation infrastructure for the Austin metropolitan area. This is an ongoing program with funding of approximately \$104 million with seven elements: 1) street maintenance, 2) emergency street repair, 3) transit corridor improvements, 4) pedestrian and bicycle safety/access, 5) sidewalks, 6) transit centers and 7) transit capital improvements.

**CAAA:** Clean Air Act Amendments—Federal legislation that protects and enhances the quality of the nation's air resources; initiates and accelerates a national research and development program to prevent and control air pollution; provides technical and financial assistance to state and local governments for air pollution control programs; and encourages and assists regional air pollution control programs.

**CAFR:** Comprehensive Annual Financial Report

**CAMPO:** Capital Area Metropolitan Planning Organization

**Capital Budget:** The portion of the budget that provides for the funding of improvements projects, other projects and major equipment purchases. Generally, a capital item is one that has a cost in excess of \$5,000 and a useful life in excess of 1 year.

**Capital Expenditure:** Expenditures made to purchase capital assets or increase the efficiency, capacity, useful life or economy of an existing asset.

**CARTS:** Capital Area Rural Transportation System

**CEO:** Chief Executive Officer

**CFR:** Code of Federal Regulations

**CIP:** Capital Improvement Plan

**CMAQ:** The Congestion Mitigation and Air Quality Program is a federal program, which funds transportation projects that will contribute to meeting the attainment of national ambient air quality standards.

**CMTA:** Capital Metropolitan Transit Authority

**Contingency Funds:** Operating funds reserved for unexpected expenditures during the fiscal year.

**Commuter Rail:** Railway for urban passenger train service consisting of local short distance travel operating between a central city and adjacent suburbs.

**Cost Allocation:** The assignment of overhead expenses to different cost centers.

**CSAC:** Customer Satisfaction Advisory Committee

**CTC:** Centralized Train Control is a system that allows dispatchers to monitor and control the positions of trains currently running on our operating tracks.

**CTECC:** Combined Transportation Emergency and Communications Center

**CTRMA:** Central Texas Regional Mobility Authority

**DBE:** Disadvantaged Business Enterprise.

**Deadhead:** Hours or miles that the buses and trains are in service, but there is not a reasonable expectation of carrying passengers. Examples include traveling between the garage and the start of a route and traveling between routes.

**Demand Response:** Service that is provided on an “as needed” basis to registered paratransit customers by Capital Metro contractors through the MetroAccess program. This service includes Demand Response Purchased Transportation (DRPT) and Demand Taxi Purchased Transportation (DTPT).

**DMS:** Dynamic Message Signs

**DMU:** A Diesel Multiple Unit is a multiple-unit train powered by on-board diesel engines. A DMU requires no separate locomotive, as the engines are incorporated into 1 or more of the carriages.

**EEO:** Equal Employment Opportunity

**EOC:** Emergency Operations Center

**ERIG:** Emissions Reduction Incentive Grant

**Express Route:** Limited-stop service traveling to and from downtown and Park & Rides.



**FAST Act:** Fixing America's Surface Transportation Act

**FEMA:** Federal Emergency Management Agency

**FHA:** Federal Highway Administration

**Fiscal Year:** A 12-month period for which an organization plans the use of its funds, which does not necessarily correspond to a calendar year. The fiscal year adopted by Capital Metro is from October 1 through September 30.

**Fixed-Route Bus:** Local bus service including rail connectors.

**Flex Routes:** The bus service for parts of Manor currently provided by the Capital Area Rural Transportation System.

**Flyer:** Bus service that operates in the suburban neighborhoods and then becomes express service to downtown. Ridership, miles and hours are included with Fixed Route.

**FRA:** Federal Railroad Administration

**FTA:** Federal Transit Administration—The agency of the federal government within the U.S. Department of Transportation that is responsible for providing, administering and monitoring funds to transit agencies.

**FTE:** Full-Time Equivalent

**Full-Time Equivalent Position (FTE):** A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

**Funds Equity:** Captures the aggregate of accumulated revenues and expenses from previous years. This balance is also labeled Net Assets.

**Fund Balance:** Fund Balance is the cash on hand used to pay monthly operating costs, such as salaries, staff health costs, fuel, supplies, utilities and other expenses.

**FY:** Fiscal year

**GAAP:** Generally Accepted Accounting Principles, conventions, rules and procedures necessary to describe accepted accounting practices at a particular time.

**GASB:** Governmental Accounting Standards Board established with authority to prescribe generally accepted accounting principles for state and local governments.

**Grant:** Revenue from another government body or organization, usually in support of a specific program or function.

**High-Occupancy Vehicle Lanes (HOV):** A lane of traffic in a major roadway reserved for vehicles carrying 2 or more (sometimes 3 or more) people.

**Interest Income:** Income gained from interest on funds that have been placed in reserves for capital placement.

**IFB:** Invitation for Bids

**ITS:** Intelligent Transportation System is a large project, with Orbital being the main vendor, that is adding Computer Aided Dispatch/Automatic Vehicle Locator (CAD/AVL) capability to our bus fleet.

**IVR:** Interactive Voice Response (IVR) is a telephony technology that can read a combination of touch-tone and voice input. It gives users the ability to access a database of information via phone. A typical IVR system has several menus of prerecorded options that the caller can choose from. These menu choices allow the caller to access the appropriate information in the database such as trip reservations, confirmations and cancellations.

**JARC:** Job Access and Reverse Commute

**Language Line:** Service used for language translation between customers and CMTA employees.

**LRFP:** The Long Range Financial Plan is a 10-year plan that forecasts the financial resources and projected expenditures based on planned levels of service and strategic goals.

**MAP-21:** A federal transportation authorization, Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) created a streamlined, performance-based and multimodal program to address the many challenges facing the U.S. transportation system. These challenges include improving safety, maintaining infrastructure condition to a state of good repair, reducing traffic congestion, improving efficiency of the system and freight movement, protecting the environment and reducing delays in project delivery.

**MCI:** Motor Coach Industries

**MetroAccess:** Paratransit services (complementary to fixed-route services) provided to passengers with disabilities established in accordance with the ADA. Service is provided through a mix of vehicle types.

**MetroRapid:** A fixed-route service that brings together a set of unique features to result in faster, more convenient service for the community. Some of the features of this service include limited stops, boarding from all doors, unique and upgraded stations with real-time departure information and vehicles equipped with signal priority technology. Capital Metro's MetroRapid service launched in early 2014 (Route 801) and late summer 2014 (Route 803).

**MetroRideShare:** A service in which a van is provided for a group of people who live and work in close proximity to each other. This service relieves congestion, and reduces pollution.

**Mobility Innovation Zones:** The term defines geographic areas where traditional fixed-route bus service is not viable.

**MSA:** Metropolitan Statistical Area

**Net Assets:** Captures the aggregate of accumulated revenues and expenses from previous years. This balance is also labeled Fund Equity.

**New Start:** Discretionary federal transit funds for new or extended fixed guideway systems.

**Non-Attainment Area:** U.S. region not attaining EPA standards for air pollutants.

**Obligation:** Funds that have been obligated to a specific purpose but have not been spent.

**On-Time Performance (Fixed Route):** On-time performance is no more than 29 seconds early or 5 minutes and 29 seconds late.

**On-Time Performance (Paratransit):** On-time performance is a vehicle's arrival within the 29-minute ready window negotiated with the registered paratransit customer at time of booking.

**Operating Budget:** The portion of the budget that provides for the day-to-day operation of Capital Metro including salaries, benefits, services, materials and other expenses.

**OTP:** On-Time Performance

**Paratransit Services:** Transportation services (complementary to fixed-route services) provided to riders with disabilities established in accordance with ADA. Service is provided through a mix of vehicle types.

**Park & Ride:** Supports express limited-stop service to and from downtown.

**Passenger Revenue:** Revenue earned through fares charged directly to passengers for transit services.

**Pathway Assessment:** Program in place to assess customer pathways throughout the region with the goal of eliminating barriers to accessing the fixed-route bus system. The focus is on highly functional paratransit-eligible customers who must use paratransit services due to architectural or other barriers that prevent them from riding CMTA's 100 percent fixed-route bus fleet.

**Peak Period:** The period during which the maximum amount of travel occurs.

**Pickup:** An on-demand public transit service with our partner Via.

**PRC:** Service to Pickle Research Campus (PRC) and the UT Shuttle route.

**Prior Years Carry-Over:** Funds that are available to finance capital budget items for subsequent fiscal years.

**PTC:** Positive Train Control

**Recovery Ratio:** Operating revenue divided by operating expense.

**Revenue Hours:** The number of hours that buses are available to the public and there is a reasonable expectation of carrying riders (this includes layover time). May be scheduled or actual; see Revenue Service below.

**Revenue Miles:** The number of miles that the buses are available to the public and there is a reasonable expectation of carrying riders.

**Revenue Passengers:** Transit riders who enter the system through the payment of a fare as distinguished from those who enter using an employee or complimentary pass.

**Revenue Service:** Transit service run for the purpose of generating revenue, with a route beginning and end point, distinguished from trips run for maintenance purposes or trips, which carry riders without charge.

**RFP:** Request for Proposals

**RFQ:** Request for Quotes

**Ridership:** The total number of boardings, also called “Unlinked Passenger Trips.” May be based on farebox counts, driver counts or estimates.

**Sales Tax:** Sales tax revenue is accrued on a monthly basis based on information provided by the Texas Comptroller of Public Accounts.

**Section 5307 Urbanized Area Formula (Formerly Section 9):** A federal grant administered by the FTA for urbanized areas, providing capital, operating and planning assistance for mass transportation. Funds are apportioned to urbanized areas utilizing a formula based on population, population density and other factors associated with transit service and ridership.

**Section 5309 Capital Program Funds:** A federal grant that provides assistance for the establishment of new rail transit projects, improvement and maintenance of existing rail transit and other fixed-guideway systems, buses and other bus-related capital projects. The bus funding portion is a discretionary allocation program.

**Service Span:** The length of time during the 24-hour day when service is provided.

**Service Area:** city of Austin and several surrounding areas within Travis County and Williamson County extending over 500 square miles. The service area participates in a 1 percent sales tax for funding support and participation with Capital Metro.

**SMS:** Safety Management Systems.

**Special Events:** Service provided to major events such as the Trail of Lights, Formula 1, Austin City Limits Music Festival and South by Southwest (SXSW).

**Subscription Service:** A standing paratransit trip reservation for a ride occurring at least once a week from the same origin to the same destination at the same time.

**Subsidy/Passenger:** The difference between the operating expense and operating revenue divided by the number of boardings.

**TCEQ:** Texas Commission on Environmental Quality

**TDP:** Transit Development Plan

**Tether Strap Program:** Program offered to customers at no charge to identify and mark the safest securement points on their mobility devices and in some cases, provide free tether straps to be installed on the device. This is open to all CMTA customers on all services. Identifying these points on mobility devices increases system safety, speeds up passenger boarding and reduces the potential for damage of the mobility device.

**Third-Party Fares:** Fares paid by a third party usually for continuous routine service.

**TIGER:** Transportation Investments Generating Economic Recovery

**TOD:** Trans Oriented Development

**TNC:** Transportation Network Company

**Transit Operations:** Those authority functions directly or indirectly related to the provision of transportation service.

**TTI:** Texas A&M's Texas Transportation Institute

**TVM:** Ticket Vending Machine system that encompasses 1) the physical devices at various rail/bus stops where a customer can purchase a ticket/pass and 2) a central computer with software that communicates to the various machines in the field.

**TxDOT:** Texas Department of Transportation

**UHC:** United Healthcare

**USDOT:** U.S. Department of Transportation

**UT Shuttle:** The bus service provided to connect student living areas with the University of Texas campus. Also, provides circulator service around the university campus. Currently provided by MV Transportation.

**UZA:** Urbanized Areas

**Vehicle Hours:** The total number of hours that the buses are in service, including both revenue and deadhead hours.

**Vehicle Miles:** The total number of miles traveled while the buses are in service. This includes both revenue and deadhead miles.

**Vision Zero Action Plan:** City of Austin's plan aiming at reducing traffic crash deaths and serious injuries to zero by 2025.

**Wheelchair Boardings:** The number of times a wheelchair boards on directly operated buses. Does not include MetroAccess or contracted services.

**Zero-based Budgeting:** A method of budgeting in which all expenditures must be justified each new budget period, as opposed to only explaining the amounts requested in excess of the previous period's funding.

**INDEX**

<b>A</b>		Page
Annual Calendar		15
<b>B</b>		
Balanced Budget		21
Basis of Budget and Basis of Accounting		16
Benefits of Public Transportation		7
Board Members		8
Board of Directors Support Department		59
Budget Assumptions		16
Bus and Paratransit Services Department		62
Bus Contract Operations Department		66
Business Center Department		69
Business Planning and Budget Process		14
Budget Summary		37
<b>C</b>		
Capital Assets		21
Capital Budget		47
Capital Improvement Plan	Appendix – A	
Capital Grants		56
Capital Metro Facilities		10
Capital Metro Service Area Map		5
Capital Projects Department		71
Central Corridor Development Department		76
Child Care and Learning Center Department		78
Communications Department		80
Community Information		6
Community Involvement Department		85
Customer Service Department		89
<b>D</b>		
Debt		22
Debt Amortization		38
Demographic and Economic Statistics	Appendix – B	





<b>E</b>	
Executive Leadership Management	9
Executive Staff Department	92
Expense Policies	26
<b>F</b>	
Facilities List	10
Factors Affecting Operating Expenses	35
Factors Affecting Revenue	31
Fares	24
Finance Department	95
Fixed Assets	21
Full-Time Equivalent Chart	18
Fund Balance and Reserve Requirements	29
<b>G</b>	
Glossary	180
Governance	8
Government Relations and Compliance Department	98
Grants	56
<b>H</b>	
Hours of Service	43
Human Resource Department	103
<b>I</b>	
Information Technology Department	107
Internal Audit Department	112
<b>L</b>	
Legal Department	115
Long Range Financial Plan	51



## M

MAP-21	183
Marketing Department	118
MetroRail Red Line Service Map	13

## N

Non-Allocated Employee Benefits	122
---------------------------------	-----

## O

Operating Expenses by Category	35
Operating Revenue by Category	31
Organization of the Budget Document	1
Organizational Chart	17

## P

Paratransit Administration Department	124
Paratransit Contract Operations Department	127
Paratransit Eligibility Department	130
Paratransit Reservations and Control Center Department	133
Passengers	42
Passenger Fares	25
Performance Trends	45
Procurement	26
Procurement Department	136
Property and Asset Management Department	140
Public Facilities Department	143

## R

Rail Commuter Operations Department	146
Rail Compliance Department	150
Rail Freight Management Department	152
Real Estate and Facility Planning Department	155
Revenue by Category	31
Ridership	42
RideShare Department	158
Risk Management and Safety Department	161



<b>S</b>	
Sales Tax Revenue	31
Security Department	165
Service Area Member Cities and Communities	5
Service Levels	42
Service Overview	40
Strategic Operations Management and Administration Department	169
Strategic Plan	20
Strategic Planning and Development Department	173
Summary of Department Expenses	39
Summary of Fare Policies	24
Summary of Financial Policies	21
System Facility Characteristics	10
<b>T</b>	
Transmittal Letter	2
<b>V</b>	
Vehicle Hours of Service	43
Vehicle Miles of Service	44
<b>W</b>	
Wellness and Fitness Center Department	178
<b>Z</b>	
Zero-Based Budgeting	21

Capital Metropolitan Transportation Authority  
Approved FY2018 - FY2022 Capital Improvement Plan

Project Name	FY2018 Approved Budget	FY2019 Planned	FY2020 Planned	FY2021 Planned	FY2022 Planned	TOTAL	Page
<b>Facilities and Real Estate</b>							
Facility Enhancements	153,000	365,000	-	-	-	518,000	A-4
Facility State of Good Repair	2,319,000	1,265,610	1,012,400	1,083,919	473,000	6,153,929	A-5
Real Estate	2,000,000	-	-	-	-	2,000,000	A-6
<b>Facilities and Real Estate Total</b>	<b>4,472,000</b>	<b>1,630,610</b>	<b>1,012,400</b>	<b>1,083,919</b>	<b>473,000</b>	<b>8,671,929</b>	
<b>Information Technology Systems and Infrastructure</b>							
Information Technology - Enterprise Systems	2,335,209	2,075,000	300,000	300,000	200,000	5,210,209	A-7
Information Technology - Infrastructure	2,587,456	650,000	350,000	1,636,579	3,650,000	8,874,035	A-8
Information Technology - Transit Systems	5,553,378	5,650,000	3,450,000	1,800,000	1,000,000	17,453,378	A-9
<b>Information Technology Systems and Infrastructure Total</b>	<b>10,476,043</b>	<b>8,375,000</b>	<b>4,100,000</b>	<b>3,736,579</b>	<b>4,850,000</b>	<b>31,537,622</b>	
<b>Infrastructure Development</b>							
Bus Stop Amenities	2,284,979	2,028,263	1,473,950	1,282,188	579,551	7,648,931	A-10
Bus Stops - New	7,683,870	835,475	-	-	-	8,519,345	A-11
Downtown Station	15,460,000	17,125,000	6,829,226	-	-	39,414,226	A-12
Facility Enhancements	2,551,075	6,301,849	2,651,131	3,063,858	5,669,261	20,237,174	A-13
Park & Ride Enhancements	4,259,050	2,500,000	1,500,000	-	-	8,259,050	A-14
Rapid Buses - Technology Improvements	204,239	-	-	-	-	204,239	A-15
Leasehold Improvements	683,425	-	-	-	-	683,425	A-16
Tiger V Grant Project	18,700,000	4,000,000	-	-	-	22,700,000	A-17
<b>Infrastructure Development Total</b>	<b>51,826,638</b>	<b>32,790,587</b>	<b>12,454,307</b>	<b>4,346,046</b>	<b>6,248,812</b>	<b>107,666,390</b>	
<b>Railroad Commuter</b>							
Railroad Commuter Enhancements	6,093,750	7,543,401	1,150,000	250,000	-	15,037,151	A-18
Railroad Commuter Regulatory	40,648,000	23,956,599	-	-	-	64,604,599	A-19
Railroad Commuter State of Good Repair	8,063,150	6,742,000	3,200,000	4,700,000	1,379,700	24,084,850	A-20
<b>Railroad Commuter Total</b>	<b>54,804,900</b>	<b>38,242,000</b>	<b>4,350,000</b>	<b>4,950,000</b>	<b>1,379,700</b>	<b>103,726,600</b>	
<b>Railroad Freight</b>							
Railroad Freight Enhancements	1,000,000	-	-	-	-	1,000,000	A-21
Railroad Freight State of Good Repair	2,895,000	300,000	1,250,000	250,000	250,000	4,945,000	A-22
<b>Railroad Freight Total</b>	<b>3,895,000</b>	<b>300,000</b>	<b>1,250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>5,945,000</b>	

Capital Metropolitan Transportation Authority  
Approved FY2018 - FY2022 Capital Improvement Plan

Project Name	FY2018 Approved Budget	FY2019 Planned	FY2020 Planned	FY2021 Planned	FY2022 Planned	TOTAL	Page
<b>Security</b>							
Security Equipment and Enhancements	1,045,170	-	302,000	142,000	43,500	1,532,670	A-23
<b>Security Total</b>	<b>1,045,170</b>	<b>-</b>	<b>302,000</b>	<b>142,000</b>	<b>43,500</b>	<b>1,532,670</b>	
<b>Strategic Planning</b>							
I-35 Corridor	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	18,000,000	A-24
MetroRail Red Line Kramer Station Relocation	600,000	2,600,000	5,000,000	4,269,000	-	12,469,000	A-25
Transit Priority and Right of Way	1,000,000	1,000,000	1,000,000	-	-	3,000,000	A-26
<b>Strategic Planning Total</b>	<b>5,200,000</b>	<b>7,200,000</b>	<b>9,600,000</b>	<b>7,869,000</b>	<b>3,600,000</b>	<b>33,469,000</b>	
<b>Vehicles</b>							
Bus Fleet	11,685,000	16,814,000	19,739,000	3,321,000	12,587,000	64,146,000	A-27
Fleet System Enhancements	900,000	500,000	500,000	500,000	200,000	2,600,000	A-28
Non-Revenue Fleet	220,000	-	-	-	-	220,000	A-29
Paratransit Fleet	2,316,000	-	2,277,000	-	6,520,000	11,113,000	A-30
<b>Vehicles Total</b>	<b>15,121,000</b>	<b>17,314,000</b>	<b>22,516,000</b>	<b>3,821,000</b>	<b>19,307,000</b>	<b>78,079,000</b>	
Capital Project Contingency	2,000,000	-	-	-	-	2,000,000	A-31
Capital Project FY2017 Carry Forward	2,662,162	-	-	-	-	2,662,162	A-32
<b>Grand Total</b>	<b>\$ 151,502,913</b>	<b>\$ 105,852,197</b>	<b>\$ 55,584,707</b>	<b>\$ 26,198,544</b>	<b>\$ 36,152,012</b>	<b>\$ 375,290,373</b>	

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Summary**

<b>FY2018 - FY2022 Capital Improvement Plan</b>						
	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Total</b>
<b>Spending Categories</b>						
Other	151,502,913	105,852,197	55,584,707	26,198,544	36,152,012	375,290,373
<b>Total</b>	151,502,913	105,852,197	55,584,707	26,198,544	36,152,012	375,290,373
<b>Funding Sources</b>						
Local	113,022,710	79,926,665	42,522,207	15,117,044	32,659,812	283,248,438
Grants	35,679,253	22,650,532	4,887,500	6,387,500	3,067,200	72,671,985
Other Capital Contributions	2,800,950	3,275,000	8,175,000	4,694,000	425,000	19,369,950
<b>Total</b>	151,502,913	105,852,197	55,584,707	26,198,544	36,152,012	375,290,373

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Facility Enhancements

**Project Type** Facilities and Real Estate

**Project Description**

This project category includes enhancements to the fuel monitor head at the 2910 E. Fifth Street, 509 Thompson Lane and 9315 McNeil Road locations. It also includes enhancements to the Onion Paseo and the Navasota and Waller pedestrian gates and sidewalks, as well as platting and a solar entry sign at Leander Park & Ride.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	153,000	365,000				518,000
<b>Total</b>	153,000	365,000	-	-	-	518,000
<b>Funding Sources</b>						
Local	153,000	365,000	-	-	-	518,000
Grants	-	-	-	-	-	-
<b>Total</b>	153,000	365,000	-	-	-	518,000

**Estimated Operating Cost Impact**

Operating costs associated with the Onion Paseo and the Navasota and Waller pedestrian gates are expected to increase operating costs by \$2,000 per year.

**Project Benefits**

The Onion Paseo, and Navasota and Waller projects provide safe and accessible pedestrian paths near the rail line in the Saltillo District. The Fuel Monitor Heads will provide better on-line reporting for regulatory compliance. Platting of the Leander property allows Capital Metro to eventually build on the property, and the solar light at the Leander Park and Ride enhances safety for bus and rail customers.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the Best Possible Customer Experience: 1.1 Promote a culture of safety; 1.3 Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Facility State of Good Repair

**Project Type** Facilities and Real Estate

**Project Description**

This project category includes state of good repairs for air conditioning units, above ground lifts, air compressors, antifreeze reclaimers, band saws, boom lift, bus wash gantries, bus wash pump, bus wash spray tower, clock systems, diesel particulate filters, electric car charges, electric heaters, electrical distribution system, extraction fans reconstruction, fire detection systems, floor scrubber, forklift, freon reclaimers, fuel system upgrade, gas fired heaters, hose crimper, HVAC air handler, hydronic heater, ice machines, kitchen stove, lifts, lighting, paint booth heater, pallet forklifts, plumbing systems, pressure washers, uninterruptible power supply, resurfacing park and ride parking lots, Plaza Saltillo railroad crossing signals, solvent reclaimer, ST-3 coolant, striping bus and employee parking lots, table saw, transmission jacks, vehicle vacuums and water boilers replacement.

FY2018 - FY2022 Capital Improvement Plan						
Spending Categories	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Other	2,319,000	1,265,610	1,012,400	1,083,919	473,000	6,153,929
<b>Total</b>	<b>2,319,000</b>	<b>1,265,610</b>	<b>1,012,400</b>	<b>1,083,919</b>	<b>473,000</b>	<b>6,153,929</b>
Funding Sources	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Local	2,319,000	1,265,610	1,012,400	1,083,919	473,000	6,153,929
Grants	-	-	-	-	-	-
<b>Total</b>	<b>2,319,000</b>	<b>1,265,610</b>	<b>1,012,400</b>	<b>1,083,919</b>	<b>473,000</b>	<b>6,153,929</b>

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Replacement of equipment at the end of its useful life maintains assets in a state of good repair and helps minimize maintenance costs.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience. 5. Finance: 5.2 Implement sustainability and environmental stewardship; 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.



Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Real Estate

**Project Type** Facilities and Real Estate

**Project Description**

This project category includes new land acquisition - South Bus and Paratransit operations and maintenance facilities.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,000,000	-	-	-	-	2,000,000
<b>Total</b>	2,000,000	-	-	-	-	2,000,000
<b>Funding Sources</b>						
Local	2,000,000	-	-	-	-	2,000,000
Grants	-	-	-	-	-	-
<b>Total</b>	2,000,000	-	-	-	-	2,000,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

This project allows the purchase of land for bus and paratransit operations and maintenance facilities to meet future service growth.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment. 2. Increase ridership: 2.3 Pursue service expansion opportunities.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Information Technology - Enterprise Systems

**Project Type** Information Technology  
Systems and Infrastructure

**Project Description**

This project category includes upgrade or replacement of asset management system, Capital Metro website platform, customer relationship management system, data warehousing, financial system, legacy systems replacement, productivity software and real estate management software.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,335,209	2,075,000	300,000	300,000	200,000	5,210,209
<b>Total</b>	2,335,209	2,075,000	300,000	300,000	200,000	5,210,209
<b>Funding Sources</b>						
Local	2,335,209	2,075,000	300,000	300,000	200,000	5,210,209
Grants	-	-	-	-	-	-
<b>Total</b>	2,335,209	2,075,000	300,000	300,000	200,000	5,210,209

**Estimated Operating Cost Impact**

Data warehousing and real estate management system are expected to increase operating expenses by \$163,000 per year.

**Project Benefits**

System replacements and upgrades when technologies are at the end of their useful life maintains assets in a state of good repair, minimizes disruptions, reduces maintenance costs and improves system reliability and convenience. System enhancements allow new functionality to support continuous improvement of systems and processes and improved customer experience.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.4. Deliver a customer-friendly experience through our people and systems. 3. Community: 3.1 Educate and inform stakeholders and the community about Capital Metro's vision and mission and the value public transit brings to a community. 4. Human capital: 4.1 Enhance organizational development; 4.2 Enhance employee recognition/reward programs; 4.4 Improve internal communications. 5. Finance: 5.1 Continue improvement of the financial systems of the agency; 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Information Technology - Infrastructure

**Project Type** Information Technology Systems and Infrastructure

**Project Description**

This project category includes data center modernization, dynamic message signs for fixed route and commuter rail, interactive voice response system replacement, phone system and Information Technology infrastructure replacements and transit station infrastructure renovation.

FY2018 - FY2022 Capital Improvement Plan						
Spending Categories	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Other	2,587,456	650,000	350,000	1,636,579	3,650,000	8,874,035
<b>Total</b>	<b>2,587,456</b>	<b>650,000</b>	<b>350,000</b>	<b>1,636,579</b>	<b>3,650,000</b>	<b>8,874,035</b>
Funding Sources	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Local	2,587,456	650,000	350,000	1,636,579	3,650,000	8,874,035
Grants	-	-	-	-	-	-
<b>Total</b>	<b>2,587,456</b>	<b>650,000</b>	<b>350,000</b>	<b>1,636,579</b>	<b>3,650,000</b>	<b>8,874,035</b>

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Replacement or upgrades of IT infrastructure or systems at the end of their useful life maintains assets in a state of good repair, minimizes interruption of critical IT resources, minimizes maintenance costs and improves the customer experience.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2. Improve system reliability and convenience; 1.4. Deliver a customer-friendly experience through our people and systems. 3. Community: 3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use. 4. Human capital: 4.1 Enhance organizational development. 5. Finance: 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Information Technology - Transit Systems

**Project Type** Information Technology Systems and Infrastructure

**Project Description**

This project category includes fare collection equipment, fixed-route services management systems replacement (Trapeze), Genfare fare system upgrades, intelligent transportation systems, mobile applications, mobile ticketing payment enhancements, paratransit technology system replacement, positive train control IT support, scheduled system upgrades, ticket vending machine replacements and trip planning website for Connections 2025.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	5,553,378	5,650,000	3,450,000	1,800,000	1,000,000	17,453,378
<b>Total</b>	5,553,378	5,650,000	3,450,000	1,800,000	1,000,000	17,453,378
<b>Funding Sources</b>						
Local	5,553,378	5,650,000	3,450,000	1,800,000	1,000,000	17,453,378
Grants	-	-	-	-	-	-
<b>Total</b>	5,553,378	5,650,000	3,450,000	1,800,000	1,000,000	17,453,378

**Estimated Operating Cost Impact**

System enhancements are expected to increase operating expenses by \$25,000 per year.

**Project Benefits**

System replacements and upgrades when technologies are at the end of their useful life maintains assets in a state of good repair, minimizes service disruptions, reduces maintenance costs and improves the customer experience. System enhancements allow for new functionality that will improve the efficiency and safety of delivering services as well as provide customers with tools to improve their riding experience.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.4 Deliver a customer-friendly experience through our people and systems. 2. Increase ridership: 2.1 Foster a new regional vision; 2.3 Pursue service expansion opportunities. 3. Community: 3.2 Build strong community partnerships that further Capital Metro's mission and vision; 3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use. 5. Finance: 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Bus Stop Amenities

**Project Type** Infrastructure Development

**Project Description**

This project category is for bus stop amenities improvements including benches, shelters, litter containers, signage and accessibility.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,284,979	2,028,263	1,473,950	1,282,188	579,551	7,648,931
<b>Total</b>	2,284,979	2,028,263	1,473,950	1,282,188	579,551	7,648,931
<b>Funding Sources</b>						
Local	2,284,979	2,028,263	1,473,950	1,282,188	579,551	7,648,931
Grants	-	-	-	-	-	-
<b>Total</b>	2,284,979	2,028,263	1,473,950	1,282,188	579,551	7,648,931

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These projects will improve the function and customer satisfaction related to bus stops.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Bus Stops - New

**Project Type** Infrastructure Development

**Project Description**

This project category includes additional stations for routes 801 and 803, and new bus stops and connectivity for Connections 2025.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	7,683,870	835,475	-	-	-	8,519,345
<b>Total</b>	7,683,870	835,475	-	-	-	8,519,345
<b>Funding Sources</b>						
Local	7,683,870	835,475	-	-	-	8,519,345
Grants	-	-	-	-	-	-
<b>Total</b>	7,683,870	835,475	-	-	-	8,519,345

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

The construction of new fixed-route and MetroRapid stations will provide for increased access to public transit and increased ridership.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Downtown Station

**Project Type** Infrastructure Development

**Project Description**

This project category is for upgrading MetroRail Downtown Station into a permanent multimodal station with an associated transit plaza partially funded by a grant from TxDOT. Upgrades include double-tracking, storm water improvements and pedestrian crossings.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	15,460,000	17,125,000	6,829,226	-	-	39,414,226
<b>Total</b>	15,460,000	17,125,000	6,829,226	-	-	39,414,226
<b>Funding Sources</b>						
Local	5,960,000	7,803,968	4,329,226	-	-	18,093,194
Grants	9,500,000	9,321,032	2,500,000	-	-	21,321,032
<b>Total</b>	15,460,000	17,125,000	6,829,226	-	-	39,414,226

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These projects will expand the current rail service into downtown Austin from 1 to 3 tracks and accommodate 5 trains from just 1. It will allow for the increase in service and capacity for the commuter rail service.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment. 2 Increase ridership: 2.3 Pursue service expansion opportunities.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Facility Enhancements

**Project Type** Facilities and Real Estate

**Project Description**

This project category includes demolition of the Serta warehouse building and improvements to accommodate new rail cars at the North Operations facility, redevelopment of the North Lamar Transit Center, expansion of the South Congress Transit Center parking and office space reconfiguration at the headquarters facility.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,551,075	6,301,849	2,651,131	3,063,858	5,669,261	20,237,174
<b>Total</b>	2,551,075	6,301,849	2,651,131	3,063,858	5,669,261	20,237,174
<b>Funding Sources</b>						
Local	2,551,075	6,301,849	2,651,131	3,063,858	5,669,261	20,237,174
Grants	-	-	-	-	-	-
<b>Total</b>	2,551,075	6,301,849	2,651,131	3,063,858	5,669,261	20,237,174

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These projects support increasing available operational and administrative space at existing facilities to accommodate additional bus and rail infrastructure as well as administrative offices.

**Strategic Goal and Objective**

These projects support strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience. 2 Increase ridership: 2.3 Pursue service expansion opportunities.



Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Park & Ride Enhancements

**Project Type** Infrastructure Development

**Project Description**

This project category includes a new Westgate Transit Center Park & Ride facility.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	4,259,050	2,500,000	1,500,000	-	-	8,259,050
<b>Total</b>	4,259,050	2,500,000	1,500,000	-	-	8,259,050
<b>Funding Sources</b>						
Local	4,259,050	2,500,000	1,500,000	-	-	8,259,050
Grants	-	-	-	-	-	-
<b>Total</b>	4,259,050	2,500,000	1,500,000	-	-	8,259,050

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

This project supports increasing customer access to transit services by building a new Park & Ride facility.

**Strategic Goal and Objective**

This project supports strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment; 1.4 Deliver a customer-friendly experience through our people and systems. 2 Increase ridership: 2.2 Lead public transportation development; 2.3 Pursue service expansion opportunities.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Rapid Buses - Technology Improvements

**Project Type** Infrastructure Development

**Project Description**

This project category is for MetroRapid bus technology improvements.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	204,239	-	-	-	-	204,239
<b>Total</b>	204,239	-	-	-	-	204,239
<b>Funding Sources</b>						
Local	3,365	-	-	-	-	3,365
Grants	200,874	-	-	-	-	200,874
<b>Total</b>	204,239	-	-	-	-	204,239

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

This project supports enhancing the efficiency and service reliability of the MetroRapid system by improving onboarding and offboarding technology.

**Strategic Goal and Objective**

This project supports strategic goal and objectives: 1 Deliver the best possible customer experience; 1.2 Improve system reliability and convenience; 1.4 Deliver a customer-friendly experience through our people and systems.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Leasehold Improvements

**Project Type** Infrastructure Development

**Project Description**

This project category is for improvements to a future administrative office lease space.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	683,425	-	-	-	-	683,425
<b>Total</b>	683,425	-	-	-	-	683,425
<b>Funding Sources</b>						
Local	683,425	-	-	-	-	683,425
Grants	-	-	-	-	-	-
<b>Total</b>	683,425	-	-	-	-	683,425

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These projects are for the buildout of a future administrative office lease space to support administrative staff.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 4 Human capital: 4.3 Be an employer of choice.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Tiger V Grant Project

**Project Type** Infrastructure Development

**Project Description**

In September 2013, the Federal Transit Administration awarded Capital Metro \$11.3 million in TIGER V grant funds for rail system infrastructure improvements. These improvements include rail and bridge upgrades, double tracking at 3 rail stations (Crestview, Howard and Lakeline), signal improvements and rail vehicle modifications.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	18,700,000	4,000,000	-	-	-	22,700,000
<b>Total</b>	18,700,000	4,000,000	-	-	-	22,700,000
<b>Funding Sources</b>						
Local	11,050,097	4,000,000	-	-	-	15,050,097
Grants	7,649,903	-	-	-	-	7,649,903
<b>Total</b>	18,700,000	4,000,000	-	-	-	22,700,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

This project will result in improvements to rail infrastructure, which will improve the safety and capacity for commuter and freight rail services.

**Strategic Goal and Objective**

This project supports strategic goals and objectives: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment. 2. Increase ridership: 2.2 Lead public transportation development.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Railroad Commuter Enhancements

**Project Type** Railroad Commuter

**Project Description**

This project category includes private crossing signalization, upgrades to existing rail vehicles, crossing gate downtime reduction, Leander quiet zones partially reimbursed by the city of Leander and other safety enhancements.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	6,093,750	7,543,401	1,150,000	250,000	-	15,037,151
<b>Total</b>	6,093,750	7,543,401	1,150,000	250,000	-	15,037,151
<b>Funding Sources</b>						
Local	5,843,750	7,293,401	900,000	250,000	-	14,287,151
Grants	250,000	250,000	250,000	-	-	750,000
<b>Total</b>	6,093,750	7,543,401	1,150,000	250,000	-	15,037,151

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Adding signalized crossings to all at-grade private crossings in the commuter corridor, enhancing rail vehicle safety systems, and improving rail crossing gate functionality. Leander quiet zone: trains will no longer be required to sound their horns at these crossings, except in cases where the train engineer decides that it is necessary to do so, thereby contributing to the quality of life for neighbors living or working near the grade crossing.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Railroad Commuter Regulatory

**Project Type** Railroad Commuter

**Project Description**

This project category is for positive train control.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	40,648,000	23,956,599	-	-	-	64,604,599
<b>Total</b>	40,648,000	23,956,599	-	-	-	64,604,599
<b>Funding Sources</b>						
Local	32,748,000	19,056,599	-	-	-	51,804,599
Grants	7,900,000	4,900,000	-	-	-	12,800,000
<b>Total</b>	40,648,000	23,956,599	-	-	-	64,604,599

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Primary purpose of this category is to provide enhanced train detection systems control, which will provide constant on-board train control with the purpose of avoiding train collisions, work zone violations and signal violations.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Railroad Commuter State of Good Repair

**Project Type** Railroad Commuter

**Project Description**

This project category includes safety upgrades to rail cars, drainage improvements, bridge load capacity upgrades, tie replacement, crossing improvements funded by TxDOT, crossing surface renewal and pedestrian safety so that these items are in a state of good repair.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	8,063,150	6,742,000	3,200,000	4,700,000	1,379,700	24,084,850
<b>Total</b>	8,063,150	6,742,000	3,200,000	4,700,000	1,379,700	24,084,850
<b>Funding Sources</b>						
Local	425,650	-	-	-	-	425,650
Grants	7,637,500	6,742,000	3,200,000	4,700,000	1,379,700	23,659,200
<b>Total</b>	8,063,150	6,742,000	3,200,000	4,700,000	1,379,700	24,084,850

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

This category of projects will assess the condition of rail infrastructure and assets. Maintenance and corrective action will be undertaken to maximize the useful life of the assets.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.4 Deliver a customer-friendly experience through our people and systems.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Railroad Freight Enhancements

**Project Type** Railroad Freight

**Project Description**

This project category is for the East subdivision quiet zone.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	1,000,000	-	-	-	-	1,000,000
<b>Total</b>	1,000,000	-	-	-	-	1,000,000
<b>Funding Sources</b>						
Local	1,000,000	-	-	-	-	1,000,000
Grants	-	-	-	-	-	-
<b>Total</b>	1,000,000	-	-	-	-	1,000,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Trains will no longer be required to sound their horns at these crossings, except in cases where the train engineer decides that it is necessary to do so, thereby contributing to the quality of life for neighbors living or working near the grade crossing.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.



Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Railroad Freight State of Good Repair

**Project Type** Railroad Freight

**Project Description**

This project category includes scale upgrades, bridge replacements, crossing gate mechanism changeout, crossing improvements reimbursed by TxDOT and public crossing improvements so that these items are in a state of good repair.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,895,000	300,000	1,250,000	250,000	250,000	4,945,000
<b>Total</b>	2,895,000	300,000	1,250,000	250,000	250,000	4,945,000
<b>Funding Sources</b>						
Local	2,081,550	87,500	1,037,500	37,500	37,500	3,281,550
Grants	813,450	212,500	212,500	212,500	212,500	1,663,450
<b>Total</b>	2,895,000	300,000	1,250,000	250,000	250,000	4,945,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Ongoing replacement and/or rehabilitation of infrastructure maintains assets in a state of good repair and helps to minimize maintenance costs.

**Strategic Goal and Objective**

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Security Equipment and Enhancements

**Project Type** Security

**Project Description**

This project category includes cameras, access control update, facility security improvements, rail signal house security, in-car video for the agency's security vehicles and other miscellaneous system enhancements.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	1,045,170	-	302,000	142,000	43,500	1,532,670
<b>Total</b>	1,045,170	-	302,000	142,000	43,500	1,532,670
<b>Funding Sources</b>						
Local	654,694	-	302,000	142,000	43,500	1,142,194
Grants	390,476	-	-	-	-	390,476
<b>Total</b>	1,045,170	-	302,000	142,000	43,500	1,532,670

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These projects will help improve safety and security.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** I-35 Corridor

**Project Type** Strategic Planning

**Project Description**

This project category includes the right-of-way initial commitment for the I-35 corridor.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	18,000,000
<b>Total</b>	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	18,000,000
<b>Funding Sources</b>						
Local	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	18,000,000
Grants	-	-	-	-	-	-
<b>Total</b>	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	18,000,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

The proposed in-line bus rapid transit plan will bring the Central Texas region a high-capacity transit investment with the highest ridership potential for the I-35 Corridor. The system will have the fastest travel times with secure and attractive service; this option will be the most efficient service due to buses staying within the corridor. This option is the best opportunity to address congestion on the I-35 corridor and has the potential to be the regional "backbone" for transit in the region.

**Strategic Goal and Objective**

This project supports strategic goal and objective: 2. Increase ridership: 2.2 Lead public transportation development.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** MetroRail Red Line Kramer Station Relocation

**Project Type** Strategic Planning

**Project Description**

This project category is for the relocation of the MetroRail Red Line Kramer station.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	600,000	2,600,000	5,000,000	4,269,000	-	12,469,000
<b>Total</b>	600,000	2,600,000	5,000,000	4,269,000	-	12,469,000
<b>Funding Sources</b>						
Local	-	-	-	-	-	-
Grants	600,000	2,600,000	5,000,000	4,269,000	-	12,469,000
<b>Total</b>	600,000	2,600,000	5,000,000	4,269,000	-	12,469,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

The proposed relocation of the existing Kramer Station is a private sector request to integrate the station with a new proposed development, which includes apartments, condos/townhomes, office and retail space with a direct access to the Domain activity center. The new station will provide improved pedestrian access, bus interface, parking and urban integration of transit infrastructure. Capital Metro will be reimbursed by the developer for all expenditures.

**Strategic Goal and Objective**

This project supports strategic goal and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Transit Priority and Right of Way

**Project Type** Strategic Planning

**Project Description**

This project category includes transit lanes, queue jump, signal priority and roadway improvements.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	1,000,000	1,000,000	1,000,000	-	-	3,000,000
<b>Total</b>	1,000,000	1,000,000	1,000,000	-	-	3,000,000
<b>Funding Sources</b>						
Local	1,000,000	1,000,000	1,000,000	-	-	3,000,000
Grants	-	-	-	-	-	-
<b>Total</b>	1,000,000	1,000,000	1,000,000	-	-	3,000,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

These infrastructure investments are targeted to expedite "Trip Times" in our bus system, local, rapid and express services. These investments are priority actions highlighted by the community with the purposes of "keep buses moving and ahead of transit congestion."

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Bus Fleet

**Project Type** Vehicles

**Project Description**

This project category includes replacements and additions of commuter coaches, MetroRapid buses, senior service routes, Round Rock vehicles and transit buses.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	11,685,000	16,814,000	19,739,000	3,321,000	12,587,000	64,146,000
<b>Total</b>	11,685,000	16,814,000	19,739,000	3,321,000	12,587,000	64,146,000
<b>Funding Sources</b>						
Local	8,147,000	14,914,000	17,839,000	1,421,000	10,687,000	53,008,000
Grants	3,538,000	1,900,000	1,900,000	1,900,000	1,900,000	11,138,000
<b>Total</b>	11,685,000	16,814,000	19,739,000	3,321,000	12,587,000	64,146,000

**Estimated Operating Cost Impact**

Replacement vehicles do not result in additional operating costs incurred. A small portion of this project covers additional vehicles related to various service additions scheduled over the 5 year period.

**Project Benefits**

Replacement of vehicles at the end of their useful life maintains assets in a state of good repair, minimizes maintenance costs and improves the customer experience.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3. Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Fleet System Enhancements **Project Type** Vehicles

**Project Description**

This project category includes additions to camera systems on vehicles.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	900,000	500,000	500,000	500,000	200,000	2,600,000
<b>Total</b>	900,000	500,000	500,000	500,000	200,000	2,600,000
<b>Funding Sources</b>						
Local	900,000	500,000	500,000	500,000	200,000	2,600,000
Grants	-	-	-	-	-	-
<b>Total</b>	900,000	500,000	500,000	500,000	200,000	2,600,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Camera systems on vehicles will help respond to incidents that occur during transit service, especially vehicle accidents.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Non-Revenue Fleet **Project Type** Vehicles

**Project Description**

This project category includes non-revenue vehicle replacements.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	220,000	-	-	-	-	220,000
<b>Total</b>	220,000	-	-	-	-	220,000
<b>Funding Sources</b>						
Local	220,000	-	-	-	-	220,000
Grants	-	-	-	-	-	-
<b>Total</b>	220,000	-	-	-	-	220,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of these projects.

**Project Benefits**

Replacement of vehicles at the end of their useful lives maintains assets in a state of good repair and helps to minimize maintenance costs.

**Strategic Goal and Objective**

These projects support strategic goals and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.



Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Paratransit Fleet

**Project Type** Vehicles

**Project Description**

This project category includes replacements and additional paratransit vehicles.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,316,000	-	2,277,000	-	6,520,000	11,113,000
<b>Total</b>	2,316,000	-	2,277,000	-	6,520,000	11,113,000
<b>Funding Sources</b>						
Local	2,316,000	-	2,277,000	-	6,520,000	11,113,000
Grants	-	-	-	-	-	-
<b>Total</b>	2,316,000	-	2,277,000	-	6,520,000	11,113,000

**Estimated Operating Cost Impact**

Replacement vehicles do not result in additional operating costs incurred. A small portion of this project covers additional vehicles necessary for projected increase in service demand.

**Project Benefits**

Replacement of vehicles at the end of their useful life maintains assets in a state of good repair, minimizes maintenance costs, and improves the customer experience.

**Strategic Goal and Objective**

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Capital Project Contingency

**Project Type** Capital Project Contingency

**Project Description**

This is capital project reserve for contingencies.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,000,000	-	-	-	-	2,000,000
<b>Total</b>	2,000,000	-	-	-	-	2,000,000
<b>Funding Sources</b>						
Local	2,000,000	-	-	-	-	2,000,000
Grants	-	-	-	-	-	-
<b>Total</b>	2,000,000	-	-	-	-	2,000,000

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

This capital project reserve provides contingency funds in the event that project costs are greater than projected or unexpected capital needs materialize between budget cycles.

**Strategic Goal and Objective**

This project supports strategic goal and objective: 5. Finance: 5.1 Continue improvement of the financial systems of the agency.

Capital Metropolitan Transportation Authority  
 Approved FY2018 - FY2022 Capital Improvement Plan



**Project Name** Capital Project FY2017 Carry Forward

**Project Type** Capital Project Contingency

**Project Description**

This is capital project carry forward from FY2017.

FY2018 - FY2022 Capital Improvement Plan						
	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Spending Categories</b>						
Other	2,662,162	-	-	-	-	2,662,162
<b>Total</b>	2,662,162	-	-	-	-	2,662,162
<b>Funding Sources</b>						
Local	2,662,162	-	-	-	-	2,662,162
Grants	-	-	-	-	-	-
<b>Total</b>	2,662,162	-	-	-	-	2,662,162

**Estimated Operating Cost Impact**

No new operating costs are expected to be incurred as a result of this project.

**Project Benefits**

This capital project carry forward provides funds in the event that project costs are greater than projected or unexpected capital needs materialize between fiscal years in the multi-year capital improvement plan.

**Strategic Goal and Objective**

This project supports strategic goal and objective: 5. Finance: 5.1 Continue improvement of the financial systems of the agency.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

Year	City of Austin Population (1)	Population MSA (1)	Personal Income (MSA) (thousands of dollars) (1)	Per Capita Personal Income (MSA) (1)	Unemployment Rate (MSA) (1)
2007	732,381	1,577,856	59,924,200	37,978	3.6
2008	746,105	1,633,870	65,153,669	39,877	4.3
2009	770,296	1,682,338	64,290,898	38,215	6.9
2010	778,560	1,727,743	69,124,528	40,009	7.0
2011	805,662	1,781,409	76,507,673	42,948	6.6
2012	821,012	1,835,298	84,319,550	45,943	5.7
2013	841,649	1,884,439	87,138,010	45,241	5.1
2014	878,002	1,943,465	95,231,402	49,001	4.2
2015	899,119	2,000,860	102,072,207	51,014	3.4
2016	925,491	2,006,327	110,478,550	55,065	3.2

Note: Prior years statistics are subject to change as more precise numbers become available

(1) Source: City of Austin Comprehensive Annual Financial Report