

CapMetro

Access Advisory Committee

August 2024



Spare Update

Julie Lampkin, Director of Demand Response Operations



Proposed FY2025 Budget

Emmanuel Toutin, Director of Budget and Financial Planning

Discussion Outline

- Budget Development Calendar
- Budget Overview
- Operating Budget Highlights
- Capital Improvement Plan Update

FY2025 Budget Development Calendar

- Feb 7 Operating and Capital Budget kick-off meeting with departments
- Apr 12 Capital and Operating Budget requests received from departments
- May 8 Board Committees review proposed budget calendar
- Jun 5 Initial review with Access Advisory Committee
- Jun 12 Board Committees initial review and discussion
- Jun 12 Initial review with Customer Satisfaction Advisory Committee
- Jun 28 Initial review with Public Safety Advisory Committee
- Jul 22 Budget proposal presented to Board of Directors

FY2025 Budget Community Engagement

- Aug 7 Presentation to Access Advisory Committee
- Aug 12 Update Board Committees
- Aug 14 Presentation to Customer Satisfaction Advisory Committee
- Aug 23 Presentation to Public Safety Advisory Committee
- Aug 23 Proposed budget document is published online
- Aug 26–30 Budget public outreach and webinar
- Sep 11 Update Board Committees
- Sep 11 Public hearing on proposed budget and capital improvement plan
- Sep 23 Board of Directors considers budget proposal for adoption

Proposed Budget Overview



- Proposed budget is structurally sound and balanced
 - Ongoing revenue is sufficient to fund operations and provide funds for capital needs
- Meets operating reserve requirements
 - Statutory operating and budget stabilization reserves are fully funded
- Projected sales tax growth of 3% for Fiscal Year 2025
 - Declining growth in Fiscal Year 2024
- Service funding based on August Service Plan changes
- Investment in customer-focused transit infrastructure projects

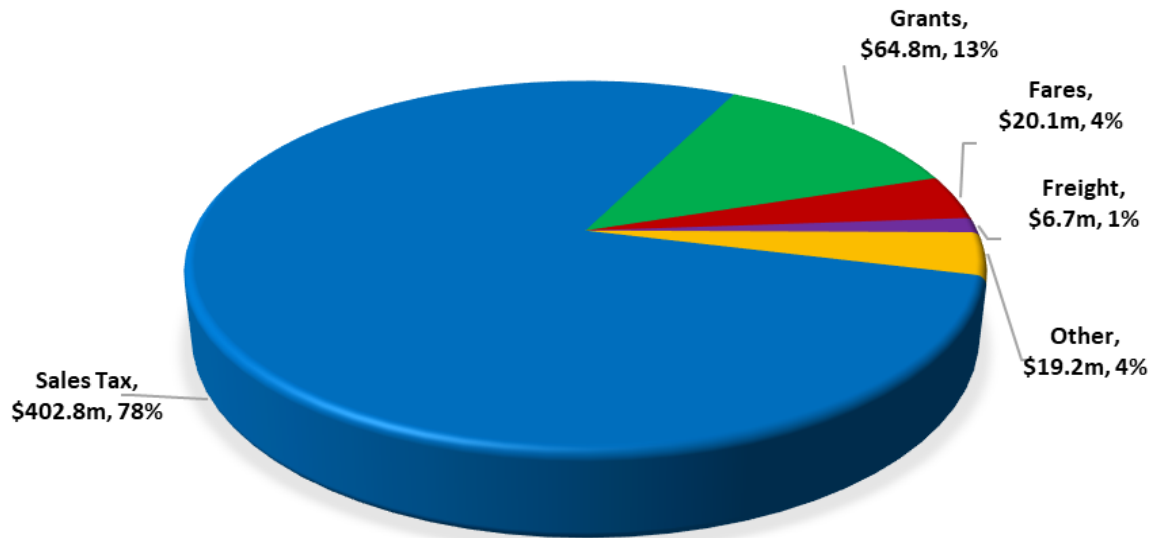
A man with a goatee, wearing a dark polo shirt with a Metro logo, is sitting and smiling. In the background, a Metrobus is visible with the text 'A METROBUS 2608' and 'CAPITAL METRO' on its side. The entire image has a blue overlay.

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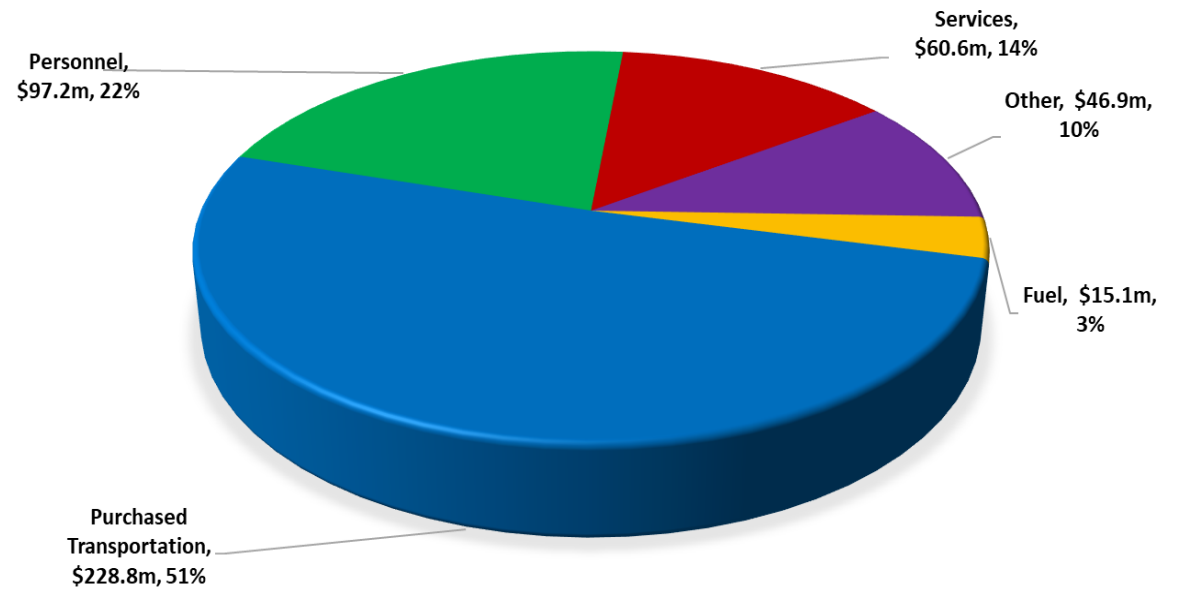
FY2025 OPERATING BUDGET

FY2025 Operating Budget Summary

FY2025 Operating Revenue
\$513.5 Million



FY2025 Operating Expenses
\$448.5 Million



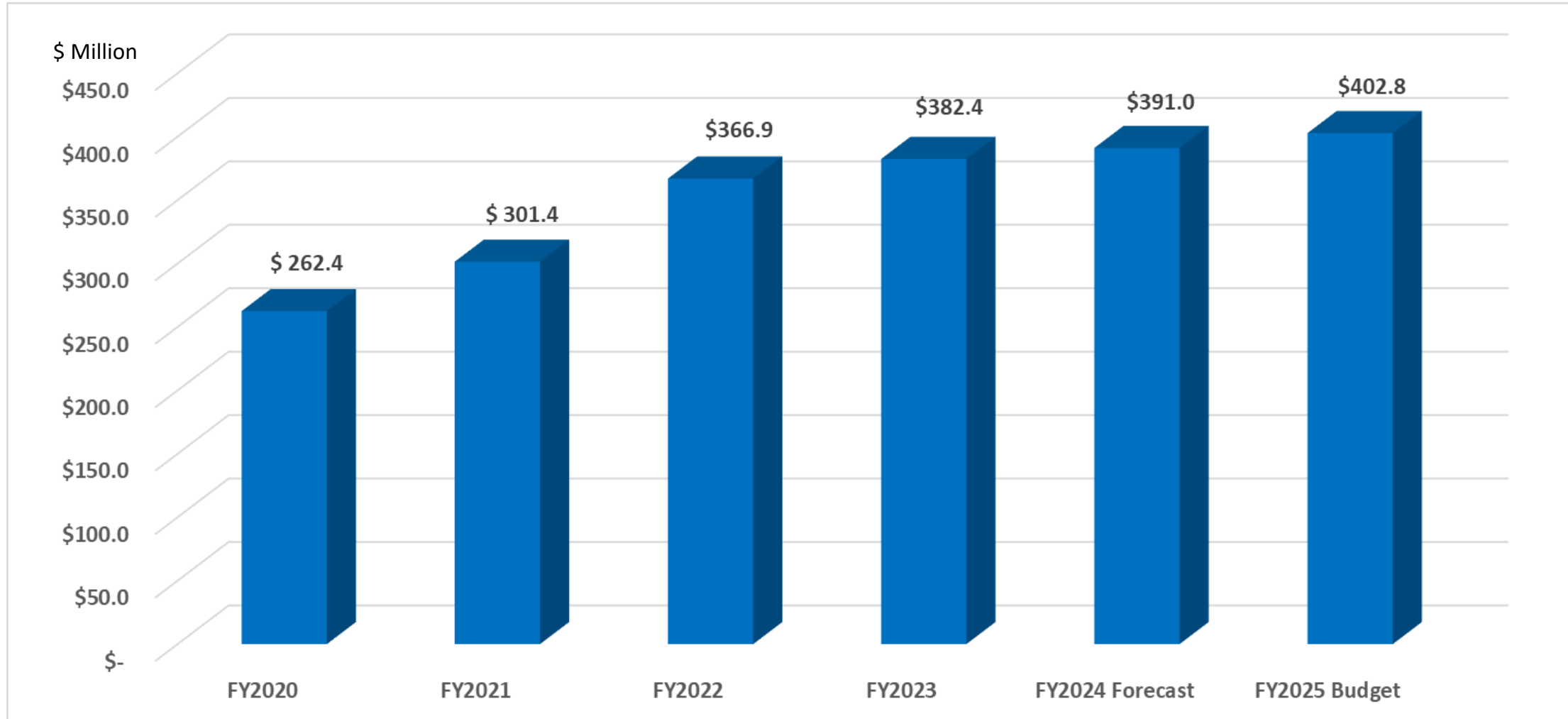
- Heavily dependent on sales tax revenue and grants for annual funding
- Grants include 5307 formula funds and operating contributions from the Austin Transit Partnership

- Majority of the budget pays for contracted transit services
- Includes funding for Project Connect operations, maintenance and support services
- Fuel increase of 6% per gallon from FY2024

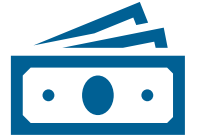
Operating Revenue

- **Fare Revenue**
 - Fare revenue based on continuing return of ridership in FY2025
- **Federal Grants**
 - Approximately \$44.2 million annually in Section 5307 funds
- **Freight Railroad Revenue**
 - Mainline revenue on target with FY2024 Budget of \$5.4 million
 - Section 45G Railroad Track Maintenance Tax Credit of \$544 thousand

Sales Tax Revenue



Operating Cost Drivers



- Service levels based on August Service Plan changes
 - Purchased transportation costs are developed using budgeted hours and contractual rates
- Fuel prices remain stable over the next fiscal year with hedging in place
 - Diesel estimate of \$2.75 per gallon, inclusive of tax and net of hedging activities
 - Fuel hedge is 56% of projected fuel usage
- Continuation and expansion of Pickup innovative mobility zones
- Performance-based average annualized pay increase for employees
- Strategic plan initiatives considered in budget preparation



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FY2025 CAPITAL BUDGET



Capital Budget Highlights

- North base demand response operations and maintenance facility
- Broadmoor Rail Station
- Bus stop enhancements and improvements
- New headquarters build-out
- CapMetro Bikeshare system replacement and expansion



Project Connect Highlights

- CapMetro Rapid Lines – vehicles, stations and electric charging
- South base demand response operations and maintenance facility
- Continued and new Pickup zone operations
- Master facility plan expansion
- Organizational development and operational readiness
- Continued interlocal agreements for capital projects, operations, maintenance and support services

Proposed 5-Year Capital Plan

\$' Million Project Category	FY2025	FY2026	FY2027	FY2028	FY2029	Total
Vehicles	\$34.1	\$28.2	\$37.7	\$41.9	\$35.7	\$177.6
Commuter Rail	4.1	1.9	1.5	.8	.8	9.0
Facilities	54.0	96.5	59.6	8.0	4.6	222.7
Information Technology	11.1	13.5	6.1	5.3	2.8	39.0
Other	21.5	18.2	3.0	2.9	3.5	49.1
Project Connect	68.4	12.8	27.9	45.0	14.8	168.8
Property and Asset Mgmt	36.5	20.1	2.4	1.3	3.3	63.7
Total Capital Projects	\$229.8	\$191.1	\$138.2	\$105.3	\$65.5	\$ 729.9
Funding						
Local Funding	142.0	152.6	89.8	51.1	42.7	478.2
Grants/Contributions	87.9	38.5	48.4	54.2	22.8	251.7
Total Capital Projects	\$229.8	\$191.1	\$138.2	\$105.3	\$65.5	\$ 729.9
Project Type						
Enhancement	161.1	123.1	93.1	58.4	26.3	462.0
State of Good Repair	68.7	68.1	45.1	46.9	39.2	268.0
Total Capital Projects	\$229.8	\$191.1	\$138.2	\$105.3	\$65.5	\$ 729.9

Next Steps

- Review budget proposal with Board advisory committees
- Publish draft budget document online
- Public outreach across CapMetro's service area and virtually
- Budget updates to Board Committees
- Public hearing on the proposed budget
- Final Board approval scheduled for September 23
- Board update on Long-Range Financial Plan

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Thank you!