~ NOTICE OF MEETING ~
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS FINANCE, AUDIT AND ADMINISTRATION
COMMITTEE MEETING
2910 East Fifth Street Austin, TX  78702

~ AGENDA ~

Monday, August 13, 2018  10:00 AM  Capital Metro Board Room

I. Public Comment:

II. Action Items:

1. Approval of Minutes for the July 18, 2018 Finance, Audit and Administration Meeting.

2. Approval of a resolution authorizing the President & CEO, or his designee, to execute an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one year from October 1, 2018, to September 30, 2019, for an amount of $87,000, and which includes an option to extend the ILA for three additional one-year terms.

3. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of Capital Metro’s FY2019 and FY2020 Federal Section 5307 Program funds.

III. Presentations:

1. Update on FY2018 Internal Audit Plan

2. Proposed FY2019 Internal Audit Plan

3. Update on the Proposed FY2019 Budget

4. Upcoming Fixed Route Services Solicitation
IV. Items for Future Discussion:

V. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512)389-7458 or email gina.estrada@capmetro.org if you need more information.

BOARD OF DIRECTORS: Wade Cooper, chairperson; Delia Garza, vice chair; Juli Word, board secretary; Terry Mitchell, Pio Renteria, Jeffrey Travillion, Ann Kitchen and Rita Jonse. Board Liaison: Gina Estrada (512)389-7458, email gina.estrada@capmetro.org if you need more information.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.
Approval of Minutes for the July 18, 2018 Finance, Audit and Administration Meeting.
Call to Order: 10:07 a.m.

I. Public Comment:

There was no public comment this month.

II. Action Items:

1. Approval of Minutes from the May 9, 2018 Finance, Audit and Administration Committee meeting.

   Motion to approve by Board Member Renteria. Word second. Approved 3-0.

2. Approval of a resolution authorizing the President & CEO, or his designee, to execute an Interlocal Agreement (ILA) with Austin Community College for student and employee transit passes for a period of one year from September 1, 2018, to August 31, 2019, that establishes a flat-fee for paratransit, rail and fixed-route bus services of $429,000 for the term of the agreement and includes an option to extend the ILA for four additional years.

   Coordinator of Business Development Greg Buford presented this item.

   This item is for Austin Community College student and employee transit passes. It establishes a flat fee for these passes, which is a change from what has been done in the past. Previously the school was charged on a per-ride basis. Ridership under the previous agreement has been in decline over the past couple of years, which may have been accelerated by the imposition of a $25 fee for the "Green Pass" that students and staff are issued.

   This new agreement will give the school some stability and predictability when budgeting and will make it easier on staff and students by eliminating the fee. We are also working on creating a digital pass that can be used starting in early 2019.

   CFO Reinet Marneweck gave an overview of how this agreement might affect ridership and Capital Metro's fare recovery ratio. She also thanked ACC staff for their work in getting this agreement completed.

   Board member Renteria motion to approve for Consent Agenda at full board. Word second. Approved 3-0.

3. Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute an Interlocal Agreement with the University of Texas at Austin for shuttle
services and rides on Capital Metro services for an estimated revenue of $19,400,000 for a period of three years starting September 1, 2018.

Vice President of Bus Operations Dottie Watkins presented this item.

Currently we have two separate agreements with the University -- one for cost-sharing on the operation of UT shuttle routes and student rides; and one that covers faculty and staff rides. This action would move us to one consolidated agreement, which both parties agree is a good idea.

The new agreement establishes a flat fee for operation of the UT Shuttle service, and would pay Capital Metro a flat rate for student, staff and faculty rides, similar to the ACC agreement presented earlier. It also establishes the revenue-share arrangement for advertising fees on the UT shuttle routes.

Motion to Approve for Action at full board meeting made by Board Member Word. Renteria second. Approved 3-0.

III. Presentations:

1. FY2019 Capital Metro Budget Proposal

Chief Financial Officer Reinet Marneweck presented this item.

This presentation was a more detailed look at the proposed FY2019 Budget, including the development calendar and highlights of both the Operating Budget and updates to the Capital Improvement Plan. A proposed budget will be published online on August 17th and also sent to board members at that time. Reinet reviewed the calendar leading up to a projected budget approval at the board meeting on September 28th.

Chair Mitchell made comments on the cost of Capital Metro’s State of Good Repair commitments in coming years.

Board member Renteria spoke on the recent commitment by the Austin City Council to give back to Capital Metro $6 million of the 1/4 cent funding for further study of Project Connect corridors.

2. Update on FY2018 Internal Audit Plan.

Vice President of Internal Audit Terry Follmer presented this update.

Terry introduced new Internal Auditor Satish Parikh to the committee and gave a brief overview of his background. He also gave an update on the final FTA Triennial Report, which has now been sent to the board. The three minor findings from their report have now been resolved.

Terry shared that at the end of June the Internal Audit Department issued its semi-annual follow-up on prior audit recommendations, which has been given to management and members of the board. There were four reports that had minor findings, two of which have been resolved and the other two of which should be resolved before November. Terry expects to bring a list of possible projects for next year to the committee in August. One area of focus will be internal financial controls. CFO Reinet Marneweck commented on the importance of reviewing this area. Going forward Terry plans to have his team put forward one-year audit plans rather than the previous practice of issuing two-year plans.
   CFO Reinet Marneweck presented her monthly financial report, through May, 2018.
   Sales tax is currently 5.4% higher than the same period last year, although ridership and fare revenue are both below projections.
   Chair Mitchell asked Reinet about the effects of recessions on sales tax revenues and Reinet discussed several options based on previous periods of recession.

IV. Items for Future Discussion:

V. Adjournment

Adjourn 11:40 a.m.

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512)389-7458 or email gina.estradacapmetro.org if you need more information.

BOARD OF DIRECTORS: Terry Mitchell, chairperson; Wade Cooper, Juli Word and Pio Renteria. Board Liaison: Gina Estrada (512)389-7458, email gina.estradacapmetro.org if you need more information.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.
Approval of a resolution authorizing the President & CEO, or his designee, to execute an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one year from October 1, 2018, to September 30, 2019, for an amount of $87,000, and which includes an option to extend the ILA for three additional one-year terms.
SUBJECT:
Approval of a resolution authorizing the President & CEO, or his designee, to execute an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one year from October 1, 2018, to September 30, 2019, for an amount of $87,000, and which includes an option to extend the ILA for three additional one-year terms.

FISCAL IMPACT:
This action is revenue-generating.

STRATEGIC PLAN:
Strategic Goal Alignment:
3. Community

Strategic Objectives:
3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use.

EXPLANATION OF STRATEGIC ALIGNMENT:
An ILA with Travis County will maintain a strong partnership that supports Capital Metro's mission and vision. The ILA has the potential to increase ridership on Capital Metro services and increase revenue.

BUSINESS CASE:
An expiring ILA has helped establish a strong partnership with Travis County that supports Capital Metro's strategic objectives. The proposed ILA will maintain this relationship. The expiring ILA has been well utilized by Travis County employees, and the proposed ILA will encourage Travis County employees to continue to make use of our services.

COMMITTEE RECOMMENDATION:
This agenda item was presented and is recommended for approval by the Finance, Audit and Administration Committee on August 13, 2018.

EXECUTIVE SUMMARY:
As part of Capital Metro's desire to build strong community partnerships that further Capital Metro's mission and vision and as part of Capital Metro's and Travis County's continued joint effort to promote sustainability through transportation alternatives, this agreement is an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one year from October 1, 2018, to September 30, 2019, for an amount of $87,000, and which includes an option to extend the ILA for three additional one-year terms.
DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Marketing/Communications
RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

RESOLUTION (ID # AI-2018-824)
Travis County Interlocal Agreement

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavor to build strong community partnerships that further Capital Metro’s mission and vision; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to build ridership and increase market share of alternate transit use.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or his designee, is authorized to execute an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one year from October 1, 2018, to September 30, 2019, for an amount of $87,000, and which includes an option to extend the ILA for three additional one-year terms.

________________________
Date: ____________________

Secretary of the Board
Juli Word
INTERLOCAL AGREEMENT
BETWEEN
TRAVIS COUNTY AND
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
FOR EMPLOYEE TRANSIT SERVICES

This Interlocal Agreement ("Agreement") is entered into by and between Travis County, Texas ("Travis County"), a political subdivision of the State of Texas, and Capital Metropolitan Transportation Authority ("Capital Metro"), a transportation authority and political subdivision organized under Chapter 451 of the Texas Transportation Code. Capital Metro and Travis County are referred to in this Agreement collectively referred the “Parties” and individually as a “Party”.

I. Recitals

1. The Parties recognize the importance of a regional mobility system and desire to encourage employees of Travis County to access public transportation.

2. This Agreement is effective upon execution by both Parties and is effective until the funding for this Agreement is depleted or is otherwise terminated in accordance with this Agreement

3. This Agreement is authorized and governed by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

4. The Parties now desire to enter into a mutually beneficially agreement that meets the transportation mobility needs of both Parties

In consideration of mutual covenants and agreements contained herein, the Parties agree to the terms and conditions below as evidenced by the signatures of their respective authorized representatives.

II. Scope

1. Transit Services. The purpose of this Agreement is to provide access to Capital Metro’s paratransit services ("MetroAccess Services"), bus, rail, and RideShare services (collectively, "Services") to Travis County employees who possess a valid and current Travis County employee photo identification and are eligible to use the Services ("Eligible County Employees").

2. MetroAccess. Capital Metro will provide paratransit services to Eligible County Employees who have been certified for MetroAccess Service via Capital Metro’s certification process. MetroAccess-certified Eligible County Employees must follow Capital Metro’s certification and reservations processes in order to make use of Capital Metro’s paratransit services. Travis County will provide Capital Metro a list of MetroAccess-certified Eligible County Employees at least ten (10) business days before the beginning of a new service month. Capital Metro will then issue Travis County a MetroAccess monthly pass for each of these Eligible County Employees at least five (5) business days before the beginning of that new service month. Travis County will be responsible for distribution of these monthly passes to its MetroAccess-certified Eligible County Employees. Each MetroAccess-certified Eligible County Employee must display a valid MetroAccess monthly pass to the MetroAccess operator prior to boarding a MetroAccess vehicle. In this Agreement, “service month” means a calendar month during
which a MetroAccess-certified Eligible County Employee desires to receive paratransit services from Capital Metro.

3. **Bus and Rail Services.** Capital Metro agrees to provide bus and rail services to any Eligible County Employee, at no charge to the Eligible County Employee, provided each such employee presents a valid Capital Metro pass and Travis County Employee photo identification upon boarding the Capital Metro vehicle.

4. **Coordination.** Capital Metro and Travis County understand the need for coordination and prior approval of the respective governing bodies regarding services, activities, and initiatives; including services, activities and initiatives that involve additional funds. The Parties agree to work together in good faith to coordinate any approvals necessary to obtain services, activities and initiatives that further the goals of this Agreement.

   (a) Capital Metro and Travis County staff will outline the various roles and responsibilities needed to promote and increase Travis County employee ridership.

   (b) Travis County will promote transit use to its employees with the assistance of the Capital Metro Communications and Marketing staff. In addition, Travis County will promote the use of bus and rail service to employees who can utilize these services prior to promoting the use of MetroAccess Services. The number of passes Travis County will require will be determined no later than six (6) weeks before the desired delivery date. Capital Metro will deliver the annual transit passes to the Travis County Human Resources Management Department. The cost per pass shall be $1.95 with an annual replacement fee of $0.45; provided, in the event Capital Metro’s outside vendor increases the cost to Capital Metro then such additional cost shall be borne by Travis County, and Travis County agrees to pay such cost. Travis County will be responsible for distributing the passes to Eligible County Employees.

5. **Holidays.** The following holidays are observed by Capital Metro and may alter the level of services:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date Observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King, Jr.’s Birthday</td>
<td>Third Monday in January</td>
</tr>
<tr>
<td>President’s Day</td>
<td>Third Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4</td>
</tr>
<tr>
<td>Labor Day</td>
<td>First Monday in September</td>
</tr>
<tr>
<td>Veteran’s Day</td>
<td>November 11</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Fourth Thursday in November</td>
</tr>
<tr>
<td>Friday after Thanksgiving</td>
<td>Friday after Thanksgiving</td>
</tr>
<tr>
<td>Christmas Eve</td>
<td>December 24</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25</td>
</tr>
</tbody>
</table>

6. **Monitoring and Reporting.**

   (a) **Ridership Reports.** Capital Metro will provide ridership reports to Travis County by day 10 of each month. Ridership reports will include the number of unique Travis County employee riders, the number of rides taken for each level/tier of service/per day and for the total month, the total dollar amount per level/tier of service, and the
total dollar amount due.

(b) **MetroAccess (Paratransit) Reconciliation.** From the listing of MetroAccess monthly passes issued to Travis County for its MetroAccess-certified employees, Capital Metro will monitor, compile, and analyze Eligible County Employees’ use of MetroAccess services and provide a monthly ridership report to Travis County. Capital Metro will monitor, compile, and analyze the Eligible County Employee use of MetroAccess Services. This information will be reported to Travis County. Capital Metro and Travis County will review the ridership services and eligibility for MetroAccess Services each month to reconcile the services. Capital Metro will submit invoices to Travis County for these services based upon the reconciliation.

(c) **Bus and Rail Reconciliation.** Capital Metro will use the magnetic cards at the bus and rail fare boxes to monitor, compile and analyze bus and rail ridership data. Capital Metro and Travis County will review ridership services and employees eligibility each month to reconcile the services. Capital Metro will submit invoices to Travis County for these services based upon the reconciliation.

### III. Term and Termination

1. **Term.** The initial term of this Agreement shall commence on October 1, 2018 and end on September 30, 2019 (the “Initial Term”). After the Initial Term, this Agreement may be renewed for three (3) additional 12-month optional renewals. All optional renewals and extensions are subject to the review and approval of the Capital Metro Board of Directors and the Travis County Commissioners Court. Any changes to the price per ride or payment terms will be negotiated in good faith between the Parties at least ninety (90) calendar days prior to the expiration of the then-current term.

2. **Termination.** Either Party may exercise the right to terminate this Agreement, in whole or part, without cause, upon sixty (60) calendar days prior written notice. Upon receipt of the termination notice Capital Metro will cease all work on the 60th day (“Early Termination”) following the date of the termination notice. Travis County will pay Capital Metro for all Services performed and obligations incurred prior to the Early Termination.

### IV. Compensation and Payment

1. **Contract Amount.** For the Initial Term and each renewal term (unless the Parties have negotiated different prices or payment terms for that renewal term), Travis County will pay to Capital Metro an amount not to exceed **$87,000** for that term for Eligible County Employees’ use of the Services, at the rates set forth in Table 1 and Paragraphs 1.1, 1.2, 1.3, and 1.4 below. Capital Metro will invoice Travis County on a monthly basis for the Services.

   1.1 During the term of this Agreement, Travis County will pay Capital Metro for bus and rail services on a per ride basis, at the rates set forth in Table 1 or the then-current, per-ride rates for each class of service that Capital Metro charges the City of Austin for the City’s employees, whichever rates are lower.

Table 1. Prices for services from October 1, 2018 through September 30, 2019 and for each renewal term unless the Parties negotiate different prices or payment terms for that renewal term.

<table>
<thead>
<tr>
<th>Service</th>
<th>Promotional Fare Price</th>
</tr>
</thead>
</table>

3
<table>
<thead>
<tr>
<th>Local</th>
<th>$0.88 per ride</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commuter</td>
<td>$0.245 per ride</td>
</tr>
<tr>
<td>MetroAccess</td>
<td>$46.50 month</td>
</tr>
</tbody>
</table>

1.2 Travis County will pay Capital Metro on a per ride basis for MetroAccess Services for MetroAccess-certified Eligible County Employees at the rate set forth in Table 1 or the monthly rate set forth in Table 1 if the per ride total for that month exceeds the monthly rate. Capital Metro will submit monthly invoices with ridership data to Travis County.

1.3 Travis County will pay for the production costs of the transit passes. Capital Metro will invoice Travis County $1.95 for each transit pass and $0.45 for each replacement pass ordered. In addition, if the production costs of the transit passes increase during the term of this Agreement, Travis County agrees to reimburse Capital Metro for the actual additional production costs charged to Capital Metro.

2. **Invoices.** Based upon reconciled ridership services and employee eligibility, Capital Metro will submit an itemized invoice and ridership data reports to Travis County on a monthly basis. Invoices and ridership data may be mailed or sent electronically to:

   Syndia Crosbie  
   Travis County Transportation and Natural Resources Department  
   P.O. Box 1748  
   Austin, Texas 78767  
   Sydnia.Crosbie@traviscountytx.gov

3. **Prompt Pay.** Travis County will pay all invoices on a monthly basis in accordance with Texas Prompt Payment Act, Chapter 2251, and Texas Government Code.

4. **Non-appropriations.** This Agreement is dependent upon the availability of Travis County funding. Travis County’s payment obligations are payable only from funds appropriated and available for the Agreement. Travis County will provide Capital Metro written notice if it fails to appropriate the funds to pay the amounts due under this Agreement. Travis County will also notify Capital Metro as soon as practicable if there is a reduction of the appropriated funds necessary for Travis County to perform under this Agreement, or there are insufficient funds available for Travis County to pay its obligations under this Agreement.

V. **General Terms and Conditions**

1. **Right to Audit.**

   1.1 Travis County agrees to allow authorized Capital Metro representatives access to all records related to this Agreement. In addition, Travis County agrees to only distribute transit passes and MetroAccess tickets to Eligible County Employees. Travis County will take adequate measures to prevent the transference of passes and tickets to individuals who are not Eligible County Employees.
1.2 Capital Metro agrees to allow authorized representatives of Travis County or other authorized representatives of Travis County, access to, and the right to audit, examine, or reproduce, any Capital Metro records related to the performance of this Agreement. Capital Metro agrees to refund to Travis County any overpayments disclosed by a Travis County audit.

2. **Taxpayer Identification.** Capital Metro shall provide Travis County with an Internal Revenue Form W-9, Request for Taxpayer Identification Number and Certification, that is completed in compliance with the Internal Code and its rules and regulations before any funds are payable.

3. **“Business Day.”** In this Agreement, “business day” means any weekday that is not a holiday designated by the Travis County Commissioners Court.

4. **Entire Agreement.** This Agreement contains the complete and entire Agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, and understanding, if any, between the Parties regarding Capital Metro’s provision of transit services to Eligible County Employees. This Agreement may not be modified, discharged, or changed in any respect whatsoever except by written instrument duly executed by an authorized representative of the Parties. No official, representative, agent, or employee of Travis County, Texas has any authority to modify this Agreement, except pursuant to such express authority as may be granted by the Commissioners Court of Travis County, Texas. The recitals set forth above and the attached exhibits are incorporated herein.

5. **Texas Public Information Act.** It will be the responsibility of each Party to comply with the provisions of Chapter 552, Texas Government Code, (Texas Public Information Act) and the Attorney General Opinions issued under that statute. Neither Party is authorized to receive requests or take any other action under the Texas Public Information Act on behalf of the other Party. Responses to requests for confidential information shall be handled in accordance with the provisions of the Texas Public Information Act. The provisions of this paragraph survive the termination or expiration of this Agreement.

6. **Fiscal Records.** The Parties will maintain and retain supporting fiscal documents adequate to ensure that claims for Agreement funds are in accordance with applicable state of Texas requirements. These supporting fiscal documents will be maintained and retained for a period of three (3) years from the later of: (a) termination of this Agreement, (b) submission of the final invoices, or (c) until resolution of all billing questions.

7. **Applicable Law.** This Agreement will be governed by and construed in accordance with the laws and constitution of the State of Texas.

8. **Venue.** Venue for any action arising under this Agreement will be in Travis County, Texas.

9. **Successors and Assigns.** This Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other party. Any attempt to assign this Agreement, without the consent of the non-assigning Party, will be void. This Agreement will be binding upon and inure to the benefit of the Parties and their successors and assigns (if any).

10. **Independent Contractor.** This Agreement will not be construed as creating an employer-employee relationship, a partnership, or a joint venture between the Parties.

11. **Disputes.** The Parties will make every possible attempt to resolve, in an amicable manner, all disputes between the parties concerning the interpretation of this Agreement. Travis
County will submit written notice of any claim of breach of contract under this Agreement to the Capital Metro Board of Directors, who will examine Travis County’s claim and any counterclaim and negotiate with Travis County in an effort to resolve the claim. In the event this negotiation is unsuccessful, then the parties will take the dispute to mediation.

12. INDEMNIFICATION. THE PARTIES AGREE THAT EACH GOVERNMENTAL ENTITY IS RESPONSIBLE FOR ITS OWN PROPORTIONATE SHARE OF ANY LIABILITY FOR THE NEGLIGENT ACTS OR OMISSIONS OF ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS ARISING OUT OF, CONNECTED WITH, OR AS A CONSEQUENCE OF ITS PERFORMANCE UNDER THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, OR OTHER ECONOMIC ADVANTAGE), HOWEVER IT ARISES, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, TORT, OR OTHER ACTION, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

13. Force Majeure. Except as otherwise provided, neither Party is liable to the other for any delay in, or failure of performance, of a requirement contained in this Agreement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, strike, fires, explosions, or other causes that are beyond the control of either Party and that by exercise or due foresight, such Party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure.

14. Severance. Should any one or more provisions of this Agreement be deemed invalid, illegal, or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provision held to be void, voidable, or for any reason whatsoever of no force and effect, such provision will be construed as severable from the remainder of this Agreement and will not affect the validity of all other provisions of this Agreement, which will remain of full force and effect.

15. Headings. The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation of this Agreement.

16. Notices. Any notice required or permitted to be delivered under this Agreement will be deemed delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to Travis County or Capital Metro, at the addresses set forth below. Notice given in any other manner will be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party.

14.1 Designation of Key Personnel for Notice

Travis County: Adele Noel
Travis County
Transportation and Natural Resources Department
P.O. Box 1748
Austin, Texas 78767

David Escamilla (or his successor)
Travis County Attorney  
P.O. Box 1748  
Austin, Texas  78767  

AND TO:  

Bonnie S. Floyd, MBA, CPPO, CPPB (or her successor)  
Travis County Purchasing Agent  
P.O. Box 1748  
Austin, Texas  78767  

Capital Metro:  

Kerri L. Butcher, Chief Counsel  
Capital Metropolitan Authority  
2910 E, 5th Street  
Austin, Texas 78702  

17. **Government Entities.** The Parties to this Agreement are governmental entities within the State of Texas, and nothing in this Agreement waives or relinquishes the right of the Parties to claim any exemptions, privileges and immunities as may be provided by law.  

18. **Certifications.** The Undersigned Parties do hereby certify that: (a) the services specified above are necessary and essential and are properly within the statutory functions and programs of the affected governmental entities; (b) the proposed arrangements serve the interest of efficient and economical administration of Capital Metro and Travis County; (c) the services contracted for are not required by Section 21 of Article 16 of the Constitution of Texas to be supplied under Agreement given to the lowest responsible bidder nor is this Agreement prohibited by Texas Government Code, Section 771.003(b); and (d) this Agreement neither requires nor permits either Party to exceed its duties and responsibilities or the limitations of its appropriated funds.  


IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their undersigned, duly authorized representatives to be effective as of the date of the last Party to sign.  

**Capital Metropolitan Transportation Authority**  

By: ____________________________  
Randy Clarke  
President/CEO  

Date: ____________________________  

Approved as to form:  

**Travis County, Texas**  

By: ____________________________  
Sarah Eckhardt  
Travis County Judge  

Date: ____________________________  

Approved as to form:  

7
Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of Capital Metro’s FY2019 and FY2020 Federal Section 5307 Program funds.
SUBJECT:
Approval of a resolution authorizing the President & CEO, or his designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of Capital Metro’s FY2019 and FY2020 Federal Section 5307 Program funds.

FISCAL IMPACT:
This action has no fiscal impact.

STRATEGIC PLAN:
Strategic Goal Alignment:
2. Ridership

Strategic Objectives:
2.3 Pursue service expansion opportunities

EXPLANATION OF STRATEGIC ALIGNMENT:
Capital Metro is coordinating with non-members in the Austin urbanized area to meet transit needs in their communities and build a regional system. These efforts will result in a more robust transit network that can eventually be brought together through regional planning efforts.

BUSINESS CASE:
As the designated grant recipient, Capital Metro must concur with the use of federal funds allocated for the Austin urbanized area, which extends beyond the service area. Capital Metro’s goal is to work with these local communities to meet their transit needs now and in the future. By receiving a formulated portion of 5307 funding, the City of Round Rock will be able to continue their on-demand and fixed route service and plan for future transit needs.

COMMITTEE RECOMMENDATION:
This agenda item was presented and is recommended for approval by the Finance, Audit and Administration Committee on August 13, 2018.

EXECUTIVE SUMMARY:
As the public transit provider of the Austin urbanized area, Capital Metro is the designated recipient of federal Section 5307 Program funds for the urbanized area. Per Federal Transit Administration (FTA) guidelines, Section 5307 funds can be used for transit capital and operating assistance in urbanized areas and for transportation
planning. In the past, Capital Metro provided Round Rock a portion of 5307 funds that were apportioned to the agency by the FTA as part of a pass-through arrangement outlined in an interlocal agreement (ILA). In FY2011, the ILA that authorized this arrangement was not renewed and Round Rock elected to become a direct recipient of FTA funds, coordinating directly with the FTA to submit independent grant applications. In FY2013, an agreement was signed for FY2013 and FY2014 Section 5307 funds to be directly distributed to Round Rock. This agreement has been renewed on a biennial basis since that time. Capital Metro is not required to provide technical support or assistance beyond any that may be required by the FTA when a designated recipient authorizes another public entity to be a direct recipient.

Round Rock is permitted to apply for a share of Capital Metro’s FY2019 and FY2020 Section 5307 funds based upon the distribution formula that will be published in the federal register for the FTA FY2019 and FY2020 Section 5307 apportionments.

The distribution of any 5307 funds to Round Rock will be contingent upon the apportionment and distribution of 5307 funds to Capital Metro. If the FTA does not apportion or distribute 5307 funds to Capital Metro, Round Rock would not be eligible to receive 5307 funds as a direct recipient. If the FTA reduces the amount of 5307 funds available to Capital Metro, Round Rock’s share of 5307 funding would be based upon the reduced amount.

These terms are included in the attached MOU between Capital Metro and Round Rock. The MOU expires on September 30, 2020, and applies only to Section 5307 funds appropriated in FY2019 and FY2020.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Finance
RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

RESOLUTION (ID # AI-2018-778)
Round Rock MOU

WHEREAS, Capital Metro is the Designated Recipient of Section 5307 Program funds apportioned by the Federal Transit Administration for the Austin urbanized area; and

WHEREAS, the City of Round Rock has requested a portion of Capital Metro’s Section 5307 funds in order to support the planning, capital development and operation of transit services for the Round Rock community, including demand response bus service, express bus service and reverse commute bus service.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or his designee, is authorized to finalize and execute a Memorandum of Understanding with the City of Round Rock that authorizes Round Rock to continue to be a direct recipient of a portion of Capital Metro’s FY2019 and FY2020 Federal Section 5307 Program funds.

________________________
Date: ____________________

Secretary of the Board
Juli Word

Attachment: Resolution-AI-2018-778 (AI767: MOU with the City of Round Rock for Federal 5307 Funds)
Memorandum of Understanding between the
Capital Metropolitan Transportation Authority and the City of Round Rock
Regarding the Provision of Federal Transit Administration
Section 5307 Program Funds

This Memorandum of Understanding ("MOU") regarding the provision of Federal Transit Administration Section 5307 Program Funds is executed by and between the City of Round Rock ("City") a local government public entity and the Capital Metropolitan Transportation Authority ("Capital Metro") a transportation authority and political subdivision organized under Chapter 451 of the Texas Transportation Code, collectively referred to as "the Parties." Accordingly, the Parties set forth their intent and understandings as follows:

I. PURPOSE

Capital Metro is the designated recipient of Section 5307 Program funding apportioned by the Federal Transit Administration ("FTA") for the Austin urbanized area ("Designated Recipient"). This MOU outlines the Parties’ mutual intent and understanding with respect to Capital Metro’s authorization of City as a direct recipient of FTA Section 5307 Program funds. City and Capital Metro agree to work cooperatively and in good faith in the manner set forth herein.

II. KEY TERMS

A. The Parties Mutually Agree:

1. To comply with the requirements of the Urbanized Area Formula Funding Program (49 U.S.C. 5307).

2. Since City is not a member city of the Capital Metro transit system, City would like to become a direct recipient of a share of the Section 5307 Program funding apportioned to Austin urbanized area ("FTA Section 5307 Program Funds").

3. During the term of this MOU, City is authorized to apply for a share of Section 5307 Program Funds apportioned and distributed to Capital Metro, as Designated Recipient for the Austin urbanized area, based upon the distribution formula established by the FTA for Section 5307 Apportionment Formula Distribution of Available Funds during FTA fiscal years 2019 (October 1, 2018 – September 30, 2019) and 2020 (October 1, 2019 – September 20, 2020) (each a "FTA Fiscal Year").

4. The distribution of any amounts payable to City as a Direct Recipient is contingent upon the successful apportionment and distribution of Section 5307 funds to Capital Metro as the Designated Recipient for the Austin urbanized area for FTA Fiscal Years 2019 and 2020. If the FTA does not apportion or distribute Section 5307 Program Funds to Capital Metro as the Designated Recipient, City will not be eligible to receive Section 5307 Program Funds as a Direct Recipient. If the FTA reduces the amount of Section 5307 Program Funds available to Capital Metro as the Designated Recipient, City’s share of funding will be based
upon the reduced amount. Capital Metro will not be liable to City for any damages, which are caused or associated with any FTA changes to the amounts apportioned or distributed to the Austin urbanized area under the Section 5307.

5. Capital Metro is not obligated to provide any technical assistance or technical support to City beyond the requirements of FTA Circular FTA C 9030.1E.

6. City’s designation as a Direct Recipient requires the approval by the Capital Metro Board of Directors, and the Round Rock City Council.

7. Capital Metro will not provide technical support or assistance beyond any that may be required by the FTA when a Designated Recipient authorizes another public entity to be a Direct Recipient.

B. Capital Metro’s Responsibility:

1. Capital Metro will remain the Designated Recipient of Section 5307 Program Funds apportioned by the FTA for the Austin urbanized area;

2. Capital Metro authorizes City to be a direct recipient (“Direct Recipient”) of a share of the Section 5307 Program Funds apportioned to the Austin urbanized area based on the distribution formula established by the FTA for Section 5307 Apportionment Formula Distribution of Available Funds during FTA Fiscal Years 2019 and 2020; and

3. Capital Metro’s authorizes this designation once to include all grant applications for FTA Section 5307 Program Funds submitted by City to FTA during the term of this MOU.

C. Round Rock Responsibility:

1. City will remain an eligible FTA grantee for the provision of transit services and construction of transit facilities;

2. As a Direct Recipient, City will use FTA Section 5307 Program Funds to support the planning, capital development and operation of transit services for the Round Rock community;

3. City shall comply with all provisions of FTA Circular FTA C 9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions, Chapter 11, Section 8, Applicants Other than Designated Recipients, including but not limited to providing its local share of matching; and

4. City shall comply with all applicable requirements set forth in state or federal law, regulations, policies, and administrative practices.

III. TERM OF MOU

This MOU will be executed and effective as of the date of the last Party to sign (the “Execution Date”) and expire on the last day of the FTA Fiscal Year 2020. The Parties may mutually agree, in writing, to extend the term of this MOU. This MOU may be terminated or modified by thirty (30) day advanced written notice of by either Party. In
the event that either Party shall be in default of its material obligations under this Agreement and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, this MOU may be terminated at the option of the Party not in default upon expiration of the thirty (30) day period. This writing constitutes the entire MOA between Capital Metro and City. No other terms and conditions are applicable, unless amended and agreed to by both Parties.

IV. INCORPORATION OF DOCUMENTS

This MOU incorporates by reference the following attachments:
A. Attachment A, City of Round Rock 5307 FY2016-FY2018 Allocations.
B. Attachment B, Resolution of the Capital Metro Board of Directors approving this MOU.
C. Attachment C, Resolution of the Round Rock City Council approving this MOU.

V. SIGNATORY

This MOU is hereby accepted and agreed to by the following individuals or officers who are duly authorized to bind the Parties as set forth above:

Capital Metropolitan Transportation Authority

By: ________________________________
Randy Clarke
President/CEO
Date: ________________________________

City of Round Rock

By: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

Approved as to form:

______________
CMTA Legal Department
Attachment A  
City of Round Rock 5307 Allocations

<table>
<thead>
<tr>
<th></th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>550,288</td>
<td>635,037</td>
<td>647,054</td>
</tr>
</tbody>
</table>

2.3.b

Attachment: Round Rock MOU FY 2019-20 Designated Recipient DRAFT (4176 : MOU with the City of Round Rock for Federal 5307 Funds)
Attachment B
Capital Metro Board of Directors Resolution No. 2018-778
Attachment C
Round Rock City Council Resolution No.

Attachment: Round Rock MOU FY 2019-20 Designated Recipient DRAFT (4176: MOU with the City of Round Rock for Federal 5307 Funds)
TITLE: Update on FY2018 Internal Audit Plan
TITLE: Proposed FY2019 Internal Audit Plan
TITLE: Update on the Proposed FY2019 Budget
Proposed Operating and Capital Budget
Fiscal Year 2019
Five-Year Capital Improvement Plan
Fiscal Years 2019 to 2023

Presented on August 13, 2018
## FY2019 Budget Development Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 7</td>
<td>Operating and Capital Budget kick-off meeting with departments</td>
</tr>
<tr>
<td>Apr 13</td>
<td>Capital Budget requests received from departments</td>
</tr>
<tr>
<td>Apr 27</td>
<td>Operating Budget requests received from departments</td>
</tr>
<tr>
<td>May 9</td>
<td>Board Committees review proposed budget calendar</td>
</tr>
<tr>
<td>Jun 25</td>
<td>Board of Directors initial review and discussion</td>
</tr>
<tr>
<td></td>
<td>– Major operating budget assumptions</td>
</tr>
<tr>
<td></td>
<td>– Service priorities and funding</td>
</tr>
<tr>
<td></td>
<td>– Capital improvement plan update</td>
</tr>
<tr>
<td>Jul 18</td>
<td>Budget proposal presented to Finance, Audit and Administration Committee</td>
</tr>
<tr>
<td>Jul 26</td>
<td>Budget proposal presented to Operations and Planning Committee</td>
</tr>
<tr>
<td>Jul 30</td>
<td>Budget proposal presented to Board of Directors</td>
</tr>
</tbody>
</table>
FY2019 Budget Development Calendar

• August  
  Board’s advisory committees review and public meetings  
  – August 1 – Access Advisory Committee  
  – August 8 – Customer Satisfaction Committee  
  – August 13 – Report feedback to Board Committees  
  – August 17 – Proposed budget document is published online  
  – August 27 – Public comments at August Board meeting

• September  
  Public meetings across Capital Metro’s service area  
  – September Meetings: Open Houses with Community Involvement  
  – Webinars

• September  
  Report public feedback to Board Committees  
  Board conducts public hearing on September 17  
  – Notice of public hearing to be published 14 days before hearing

• September  
  Board considers adoption of Proposed Budget and Five-Year Capital Improvement Plan on September 28
Next Steps

- Publish draft budget document online
- Public meetings across Capital Metro’s service area
- Public hearing on proposed budget
- Budget updates to Board Committees
- Final Board approval scheduled for September 28
Questions/Discussion
TITLE: Upcoming Fixed Route Services Solicitation