Agenda - Final revised

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, July 27, 2026 | **12:00 PM** | **Rosa Parks Boardroom**

Items marked with * have been revised or added.

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Safety Briefing:

III. Public Comment:

IV. Recognition:

1. Board Member Eric Stratton

V. Advisory Committee Updates:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee
3. Public Safety Advisory Committee (PSAC)

VI. Board Committee Updates:

1. Operations, Planning and Safety Committee
2. Finance, Audit and Administration Committee
3. CAMPO update
4. Austin Transit Partnership Update

VII. Action Items:

1. Approval of minutes from the June 22, 2026 board meeting.

2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Cooperation Agreement with the Texas Department of Transportation (TxDOT) to establish the relationship and responsibilities between the parties for the I-35 Capital Express Central project and to waive all rail right of way application and annual license fees for currently unlicensed utility providers who are required to relocate their utilities as part of the project.

3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a lease amendment with 1303 Properties Ltd., d/b/a Travis Properties for approximately 7,052 rentable square feet of office space on the first floor of the Travis Building located at 209 West 9th Street, Austin, TX 78701, extending the current month-to-month lease through May 31, 2027, for an additional not to exceed amount of $264,450.

4. Approval of a resolution ratifying a contract modification to CapMetro's freight operations contract with Watco Companies, LLC (Watco) to reimburse Watco in amount not to exceed $3,208,721 for infrastructure repairs made as a result of flooding in July 2025.

5. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with RailComm LLC (D/b/a Tracsis US) for software licensing, warranty, maintenance and hosting, with a base term of one (1) year and two (2) option years, in a total amount not to exceed $932,825.

6. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with The eConsortium Group for the replacement of the CapMetro telephone system, with a base term of three (3) years and two (2) option years, in a total amount not to exceed $1,559,441.

7. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with the Texas Department of Information Resources (DIR), to renew Salesforce Marketing and Data Cloud Licensing for a term of one (1) year, in a total amount not to exceed $321,750.

8. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with EXOS Works, Inc for Wellness Program Services, with a base term of 2 years and 3 option years, in a total amount not to exceed $1,991,858.

9. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with W.W. Grainger for bus and building parts and small tools and equipment for a base term of fifteen (15) months with two (2) option years, in a total amount not to exceed $3,040,870.

10. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Tryggr Roofing & Construction LLC for roof replacement at the Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street, Austin, Texas, in an amount not to exceed $676,691.

VIII. Discussion Items:

1. FY2027 Budget Proposal

*2. Update on restoration of CapMetro Bikeshare service.

IX. Report:

1. President and CEO Monthly Update - July 2026

X. Executive Session under Chapter 551 of the Texas Government Code:

Executive Session under 551.072, Deliberation Regarding Real Property, to discuss potential lease and/or value of real property, specifically office space in CapMetro-owned facilities.

XI. Memos:

Note: Memos are for information only. Will not be discussed at meeting.

1. Memo: Update on Bus Operations and Maintenance Labor Negotiations (June 18, 2026)
2. Memo: Follow-up to June 2026 Board Committee Meetings (June 24, 2026)
3. Memo: Update on Bus Operations and Maintenance Labor Negotiations (June 26, 2026)
4. Memo: Fare Transformation Update: Proposed 2027 Fare Increase and Changes (July 1, 2026)
5. Memo: Update on Bus Operations and Maintenance Labor Negotiations (July 14, 2026)

XII. Items for Future Discussion:

XIII. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

BOARD OF DIRECTORS: Jeffrey Travillion, Chair; Paige Ellis, Vice Chair; Becki Ross, Secretary; Eric Stratton, Matt Harriss, Dianne Bangle, Chito Vela and Zo Qadri.

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.

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2021-189	**Agenda Date:** 3/28/2022

Customer Satisfaction Advisory Committee (CSAC)

Capital Metropolitan Transportation Authority
Customer Satisfaction Advisory Committee (CSAC)
Wednesday, June 11, 2026
6:00 PM
Virtual Presentation

CapMetro Employees: Laurelle Bednar, Elisabeth Berman, Peter Breton, Licelda Briones, Sylvia Butanda, Olivia Jones, Brandi White, Patricia Williams.

Committee Members: Arlo Brandt, Dominic DeNiro, David Foster, Betsy Greenberg, Nelson Lin, Benjamin Lombardo, Fangda Lu, B.J. Taylor, Diana Wheeler.

Guests: Ruven Brooks, Alex Fairbanks, Pedro Hernandez Jr.

Meeting called to order at 6:01 PM

Welcome / Introductions / Call to Order

Chair Foster

Approval of the June 2026 minutes - Arlo Brandt / 2nd by Diana Wheeler – passes unanimously.

Public Communications

Dominic DeNiro, Peter Breton, Ruven Brooks, David Foster, Betsy Greenberg, Olivia Jones, Benjamin Lombardo, Fangda, Lu, B.J. Taylor provided public communication.

Staff Updates

Community Engagement

Participated in Discussion / Q&A:

Accessibility Trainings for Operators

Laurelle Bednar, Demand Response Instructor Louise Friedlander, Accessible Transportation Specialist
Olivia Jones, Director of Operations Control Center and Training

Participated in Discussion / Q&A:
Peter Breton, David Foster, Pedro Hernandez Jr, Benjamin Lombardo, and **B.J. Taylor.**

Meeting adjourned at 7:24 PM

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2021-190	**Agenda Date:** 3/28/2022

Access Advisory Committee

Capital Metropolitan Transportation Authority
Access Advisory Committee
Wednesday, July 1, 2026
5:30 PM
Virtual Presentation

CapMetro Employees: Laurelle Bednar, Peter Breton, Licelda Briones, Sylvia Butanda, Louise Friedlander, Art Jackson, Olivia Jones, Martin Kareithi, DeNay Rhock, Sara Sanford, Kris Turner.

Committee Members: Andrew Bernet, Glenda Born, Audrea Diaz, Mike Gorse, Ricardo León, Steven Salas, Bart Williamson.

Supporting Staff: David Chapa Jr, Chris Westbrook.

Guests: Lisa Lanai Cordeiro, Joshua Gutierrez, Tracy Moody, Craig Randall, Lyric Wardlow.

Meeting called to order at 5:34 PM

Welcome / Introductions / Call to Order
Vice-Chair Born

Approval of the June 2026 minutes – Steven Salas / 2nd by Mike Gorse – passes unanimously.

Public Communications
Glenda Born, Peter Breton, Lisa Lanai Cordiero, Art Jackson, Tracy Moody, Craig Randall, Steven Salas, Sara Sanford, Lyric Wardlow, and **Bart Williamson** provided public communication.

Staff Updates
Demand Response

Participated in Discussion / Q&A:
Peter Breton, Steven Salas, and **Sara Sanford**.

Accessibility Trainings for Operators
Laurelle Bednar, Demand Response Instructor
Louise Friedlander, Accessible Transportation Specialist

Participated in Discussion / Q&A:
Glenda Born, Peter Breton, Mike Gorse, Art Jackson, Ricardo Leon, and **DeNay Rhock**.

Meeting adjourned at 7:17 PM

Board of Directors **Item #:** AI-2022-329 **Agenda Date:** 1/24/2022

Public Safety Advisory Committee (PSAC)

CapMetro

Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors	**Item #:** AI-2026-1858	**Agenda Date:** 7/27/2026

Approval of minutes from the June 22, 2026 board meeting.

Minutes

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, June 22, 2026	12:00 PM	Rosa Parks Boardroom

I. Call to Order

12:00 p.m. Meeting Called to Order

Present:	Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela
Absent:	Stratton

II. Safety Briefing

III. Transit Police Officer Swearing In

Assistant Chief Tricia Mirabelle, Captain Robert Hawkins, Officer Devin Nguyen, and Officer Elwin Garcia were sworn in.

IV. Public Comment:

Cynthia Washington and Brett Marler provided public comments. Later in the meeting (following the FY2027 Proposed Budget Discussion item) Zenobia Joseph also provided comments.

V. Advisory Committee Updates:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee
3. Public Safety Advisory Committee (PSAC)

VI. Board Committee Updates:

1. Operations, Planning and Safety Committee
2. Finance, Audit and Administration Committee
3. CAMPO update
4. Austin Transit Partnership Update

VII. Consent Items:

A motion was made by Board Member Vela, seconded by Vice Chair Ellis, to approve the Consent Agenda. The motion carried by the following vote:

Aye: Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela

1. Approval of minutes from the May 6, 2026 special board meeting and May 18, 2026 board meeting.
2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Agreement with the City of Austin to reimburse CapMetro up to $747,500 for the design and construction of a 20-inch water line betterment on behalf of the Austin Water as part of the Demand Response North Facility project.
3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Agreement with Travis County to reimburse CapMetro up to $1,535,783 for the design and construction of offsite roadway and traffic control betterments as part of the Demand Response North Facility project.
4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a construction contract with Trimbuilt Construction, Inc. for the Paratransit Eligibility Center for $2,034,641, plus a 25 percent contingency, for a total amount not to exceed $2,543,301.

VIII. Action Items:

1. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with DLT Solutions for Oracle Fusion Financials and Human Capital Management (HCM) Oracle Customer Success Services (CSS) renewal, with a base term of one (1) year and three (3) option years, for $4,575,206, plus a $500,000 contingency, for a total amount not to exceed $5,075,206.

   A motion was made by Board Member Harriss that this Resolution be adopted. The motion carried by the following vote:

   Aye: Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela

2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract modification with Genfare, LLC for cash farebox and vaulting system hardware replacement and installation services in the amount of $567,372, plus a 3.7 percent contingency, for a total contract modification amount of $817,372, and a new contract total not to exceed amount of $7,134,243.

   A motion was made by Board Member Vela, seconded by Vice Chair Ellis, that this Resolution be adopted. The motion carried by the following vote:

   Aye: Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela

3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Adolfson & Peterson Construction to construct Phase 2 of the new Demand Response North Base facility, for $76,695,558, plus a 25 percent contingency, for a total not to exceed amount of $95,869,448.

   A motion was made by Vice Chair Ellis, seconded by Board Member Harriss, that this Resolution be adopted. The motion carried by the following vote:

   Aye: Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela

4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Big Star Transit, LLC for Demand Response Overflow Services, with a base term of three (3) years and two (2) option years, for $11,906,074, plus a 10 percent contingency, for a total not to exceed amount of $13,096,681.

   A motion was made by Vice Chair Ellis, seconded by Secretary of the Board Ross, that this Resolution be adopted. The motion carried by the following vote:

   Aye: Travillion, Ross, Harriss, Bangle, Qadri, Ellis, and Vela

IX. Discussion Items:

1. Initial Review and Discussion of the FY2027 Proposed Budget

X. Report:

1. President and CEO Monthly Update - June 2026

XI. Executive Session under Chapter 551 of the Texas Government Code:

1. Executive Session under Section 551.071, Consultation with an Attorney, to consult with CapMetro legal counsel regarding legal issues, including potential or contemplated litigation, legal risk exposure and subrogation issues, and recovery of operations related to the May 23 fire impacting a CapMetro facility.

   Into Executive Session with a quorum present: 1:19 p.m.
   Out of Executive Session: 1:59 p.m.

XII. Items for Future Discussion:

XIII. Adjournment

1:59 p.m. Meeting Adjourned

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

BOARD OF DIRECTORS: Jeffrey Travillion, Chair; Paige Ellis, Vice Chair; Becki Ross, Secretary; Eric Stratton, Matt Harriss, Dianne Bangle, Chito Vela and Zo Qadri.

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.

Board of Directors **Item #:** AI-2025-1722 **Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Cooperation Agreement with the Texas Department of Transportation (TxDOT) to establish the relationship and responsibilities between the parties for the I-35 Capital Express Central project and to waive all rail right of way application and annual license fees for currently unlicensed utility providers who are required to relocate their utilities as part of the project.

FISCAL IMPACT:
This item waives certain CapMetro-assessed fees in exchange for construction of transit-supportive infrastructure to be built by TxDOT at their expense as part of the I-35 Capital Express Central project. See below for further detail.

STRATEGIC PLAN:
Strategic Goal Alignment:
☐ 1. Customer ☒ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: CapMetro's mission is to empower, enhance, and serve the region and its communities through the responsible delivery of quality public transportation. The purpose of this agreement is to establish the relationship and responsibilities between the parties related to the I-35 Capital Express Central project. This agreement supports CapMetro's goal to improve mobility in the region and its communities by waiving all application and annual license fees for project-related grants of new license agreements for currently unlicensed utilities within CapMetro rail right of way that are required to be relocated in support of the I-35 Capital Express Central project.

BUSINESS CASE: CapMetro is partnering with TxDOT in support of the I-35 Capital Express Central project. As part of the project, TxDOT is providing a significant investment in transit infrastructure in proximity to the project. This includes Commuter Rail right of way at 4th Street and Airport Boulevard, as well as improved access to the Tech Ridge Park & Ride. By waiving utility relocation application and license fees, CapMetro is providing a key public benefit in support of this significant transportation project and public transit services.

COMMITTEE RECOMMENDATION: This item will be presented to the full Board on July 27, 2026.

EXECUTIVE SUMMARY: CapMetro is partnering with TxDOT on a number of transportation improvement projects related to the I-35 redevelopment project in downtown Austin that will directly benefit public transit services. These multiple improvements will require multiple agreements, and these agreements will generally waive CapMetro application and annual license fees for project-related grants of licenses to currently unlicensed utilities requiring relocation because the projects provide a direct benefit to public transit services.

As part of the I-35 Capital Express Central project, TxDOT is constructing a double-track Red Line Commuter Bridge over I-35 at 4th Street to access the Downtown Station. TxDOT will also construct new Red Line Commuter rail track and bridge at the I-35 / Airport Blvd. intersection as well as an aerial bus access ramp from I-35 to the Tech Ridge Park & Ride, just south of Howard Lane. Through this agreement TxDOT will reimburse CapMetro for the cost of a “Bus Bridge” for the duration of the project related closure of the Downtown Rail Station.

The rail right-of-way application and license fees are to be waived for all public and private utilities which do not have current license agreements with CapMetro and require relocation as a result of the projects.

SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Capital Construction Engineering and Design (CCED)

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2025-1722

WHEREAS, CapMetro is partnering with the Texas Department of Transportation (TxDOT) on projects in support of the I-35 Capital Express Central project; and

WHEREAS, these partnership projects benefit public transportation and transit services for the entire region.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the CapMetro President and CEO, or her designee, is authorized to finalize and execute an Interlocal Cooperation Agreement with the Texas Department of Transportation (TxDOT) to establish the relationship and responsibilities between the parties for the I-35 Capital Express Central project and to waive all application and annual license fees for new license agreements for currently unlicensed utility providers who are required to relocate their utilities as part of the project.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

I-35 Capital Express Central Project

Interlocal Cooperation Agreement

CapMetro Board

July 2026

I-35 Capital Express Central Interlocal Agreement Scope

- TxDOT Responsibilities
  - Design & Construction of:
    - I-35 / 4th Street Rail Bridge
    - I-35 / Airport Blvd. Rail Infrastructure reconstruction (including double-track bridge, temporary “Shoofly”)
    - I-35 / TechRidge Park & Ride Bus Flyover Access
  - Reimbursement for Downtown Station “Bus Bridge”
  - Maintenance of Improvements within TxDOT R.O.W.
- Estimated Total Value of Improvements:
  - $171.2 M

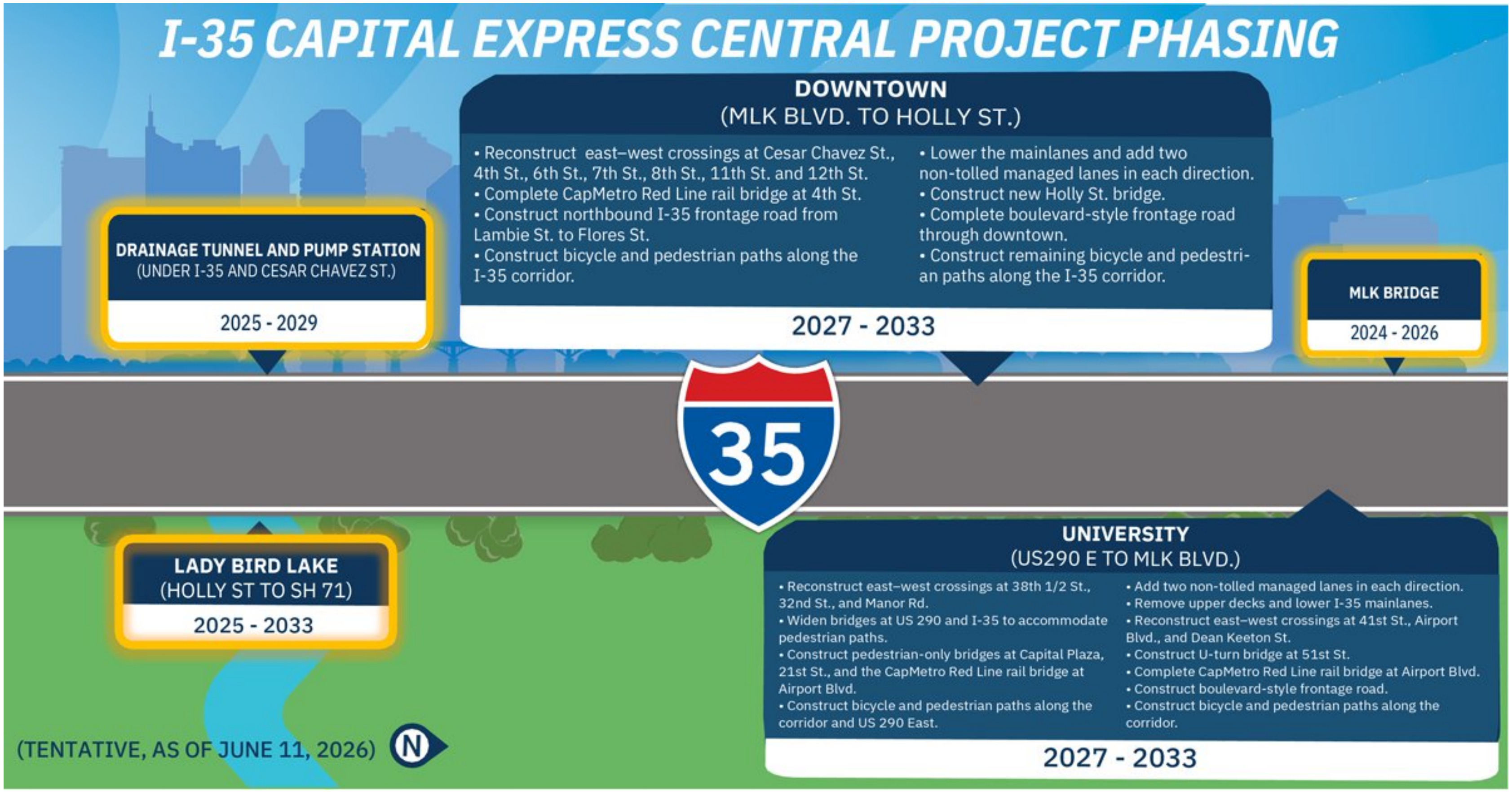
- Other TxDOT funded improvements:
  - I-35 / Riverside Drive Light Rail Bridge

I-35 Capital Express Central Interlocal Agreement Scope

- CapMetro Responsibilities
  - Waive all license agreement fees granted to TxDOT
  - Waive Rail R.O.W. application and annual license fees for utilities without current license agreements
- Estimated Total Value (assume 100 years):
  - $28 M
- Maintenance of infrastructure outside of TxDOT R.O.W.

3

I-35 Capital Express Central Interlocal Agreement



I-35 Capital Express Central Interlocal Agreement

Current: I-35 @ 4th Street Commuter Rail Crossing (looking east)

5

I-35 Capital Express Central Interlocal Agreement

Future: I-35 @ 4th Street Commuter Rail Crossing (looking northwest)

6

Thank you!

Board of Directors	**Item #:** AI-2026-1875	**Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a lease amendment with 1303 Properties Ltd., d/b/a Travis Properties for approximately 7,052 rentable square feet of office space on the first floor of the Travis Building located at 209 West 9th Street, Austin, TX 78701, extending the current month-to-month lease through May 31, 2027, for an additional not to exceed amount of $264,450.

FISCAL IMPACT:
Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
☒ 1. Customer ☒ 2. Community
☒ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: This proposed renewal of the month-to-month lease for this space allows CapMetro Access eligibility clients and employees continual access to the facility until the renovation of their new office space at 624 North Pleasant Valley Road is complete.

BUSINESS CASE: The CapMetro Access Eligibility Center is proposed to remain at its current location at 209 W. 9th Street until the renovation of 624 North Pleasant Valley office space is complete. CapMetro owns the 624 North Pleasant Valley facility, and the Eligibility Center is forecast to move into this renovated space in May 2027, at which time the lease for 209 W. 9th Street will be terminated. This action item will allow the Eligibility Center to occupy their current location until that time. The funds for this lease amendment are included in FY26 and proposed FY27 operating budgets.

COMMITTEE RECOMMENDATION: This item will be presented to the full Board on July 27, 2026.

EXECUTIVE SUMMARY: CapMetro will continue to house CapMetro Access Eligibility at 209 W. 9th Street until the renovation of their new space at 624 North Valley Road is completed. The lease amendment will be a month-to-month extension through May 31, 2027, which can be terminated by either party with sixty (60) days' advance notice. The Board approved the previous lease extension for this facility and authorized a total not to exceed amount of $1,137,135. This action item is requesting Board authorization for an additional

$264,450 for the duration of the extended lease term, which represents a $26,445 monthly lease payment.

SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Real Estate

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1875

WHEREAS, the Capital Metropolitan Transportation Authority (CapMetro) Board of Directors and CapMetro management endeavor to conduct required operations in an efficient and economical manner; and

WHEREAS, the CapMetro Board of Directors and CapMetro management recognize the need to continue to lease space for administrative and customer services; and

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a lease amendment with 1303 Properties Ltd., d/b/a Travis Properties for approximately 7,052 rentable square feet of office space on the first floor of the Travis Building located at 209 West 9th Street, Austin, TX 78701, extending the current month-to-month lease through May 31, 2027 for an additional not to exceed amount of $264,450.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

Board of Directors	**Item #:** AI-2026-1848	**Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution ratifying a contract modification to CapMetro's freight operations contract with Watco Companies, LLC (Watco) to reimburse Watco in amount not to exceed $3,208,721 for infrastructure repairs made as a result of flooding in July 2025.

FISCAL IMPACT:
This work was funded through contingency. The contract modification is required because the cumulative cost of this work exceeds the current contract limit under the Watco Freight Operations agreement. We anticipate reimbursement from FEMA for eligible costs associated with this emergency infrastructure repair.

STRATEGIC PLAN:
Strategic Goal Alignment:
☐ 1. Customer ☒ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: This action will allow CapMetro to continue to foster a culture of safety by rebuilding a sound infrastructure for sustainability, efficiency, resiliency, and lasting performance.

BUSINESS CASE: The flooding caused significant damage to the track and bridge infrastructure, compromising safety and asset integrity. Immediate repairs were necessary to restore the infrastructure to a safe and serviceable condition, preventing further deterioration to ensure regulatory compliance.

COMMITTEE RECOMMENDATION: This item will be presented to the full Board on July 27, 2026.

EXECUTIVE SUMMARY: CapMetro has a partnership with Watco Companies LLC for a long-term freight operations contract originally procured through a competitive Request for Proposal (RFP) in 2015. The contract was awarded on July 2, 2015 for a term of twenty (20) years.

The contract states that in the event of damage arising from a flood, landslide, geological disturbance or other natural disaster, the Freight Services Contractor shall be responsible for the payment of the first Fifty Thousand Dollars ($50,000) of costs required to restore the railroad to service, and thereafter up to fifty (50) percent of any additional costs of repairing such damage resulting from such disaster, up to a maximum of One Hundred Thousand Dollars ($100,000) per occurrence, except where the costs of such repairs are fully reimbursed by any local, state or federal government agency.

On July 6, 2025, President Donald J. Trump approved a major disaster declaration in Texas due to prolonged rainfall on July 4, 2025, which caused flash flooding and erosion in multiple counties including Burnet and Williamson Counties.

The President's action made federal disaster assistance available through the Federal Emergency Management Administration (FEMA) under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

CapMetro has submitted applications to FEMA requesting up to $2,176,521 in Public Assistance funding for eligible costs related to the repair or replacement of rail facilities damaged by the flooding.

SBE PARTICIPATION: This is a modification to the current contract. A 0% SBE goal was assigned to this contract, which did not include subcontract opportunities.

PROCUREMENT: On July 2, 2015, CapMetro awarded a revenue sharing contract for Freight Operations to Watco Companies for a 16.5% share of their gross revenues for a base term of twenty (20) years beginning October 1, 2015. The Contract requires that Watco repair and restore all railroad assets within the service area that are damaged by derailments or other accidents caused by its operations or use. In the event of an emergency, Watco is responsible for the first Fifty Thousand Dollars ($50,000) of damages, and fifty (50) percent of costs up to a maximum of One Hundred Thousand Dollars ($100,000) per occurrence.

RESPONSIBLE DEPARTMENT: Rail Department

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1848

WHEREAS, the Capital Metropolitan Transportation Authority (CapMetro) Board of Directors and CapMetro management realize their responsibility as the owners of the Capital Metro Freight Railroad to fulfill Common Carrier Obligations by providing rail freight service; and

WHEREAS, the Board of Directors and CapMetro management recognize that the CapMetro freight railroad provides economic and environmental benefits to the region; and

WHEREAS, the Board of Directors and CapMetro management recognize the importance of repairing and maintaining CapMetro’s freight railroad so that it is in proper, safe operational condition at all times.

NOW, THEREFORE, BE IT RESOLVED that the CapMetro Board ratifies a contract modification to CapMetro's freight operations contract with Watco Companies, LLC (Watco) to reimburse Watco in an amount not to exceed $3,208,721 for infrastructure repairs made as a result of flooding in July 2025.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

2910 East 5th Street
Austin, TX 78702

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2026-1859	**Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with RailComm LLC (D/b/a Tracsis US) for software licensing, warranty, maintenance and hosting, with a base term of one (1) year and two (2) option years, in a total amount not to exceed $932,825.

FISCAL IMPACT:
Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
☐ 1. Customer ☐ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT:
RailComm's Rail Dispatch Control System (RDCS) directly supports CapMetro's goal of organizational effectiveness by providing a centralized, cloud-hosted platform for rail dispatch operations that integrates with existing CTC and PTC systems. The continued use of the existing RailComm system ensures continuity of operations by leveraging a proven platform already embedded in CapMetro's rail environment, minimizing disruption and avoiding the risks associated with transitioning to a new system. The solution enables consistent, reliable operations through ongoing SaaS hosting, 24/7 technical support, and structured performance monitoring, including system uptime, availability, and root cause analysis for incidents. Additionally, RailComm strengthens operational resilience and efficiency by maintaining defined processes for system backups, disaster recovery, and secure data management, helping ensure continuity of critical rail services and protection of operational data.

BUSINESS CASE:
Executing a three-year contract with RailComm represents a financially sound approach for CapMetro by leveraging an established pricing structure and avoiding the incremental costs associated with repeated short-term extensions or re-procurement activities. Existing contract documentation shows that option periods and extensions are exercised at pre-defined or negotiated rates, supporting price stability and predictability over the term. Additionally, CapMetro policy emphasizes that exercising contract options is most advantageous when market analysis shows favorable pricing and when it avoids costs tied to service disruption or transition. From a total cost of ownership perspective, continuing with RailComm also reduces hidden costs such as

system replacement, re-implementation, staff retraining, and integration with existing CTC/PTC infrastructure. The current SaaS model further shifts costs away from capital investment toward predictable operating expenses that include hosting, maintenance, and 24/7 support within a single contract. Together, these factors demonstrate that a multi-year agreement provides greater cost efficiency, budget certainty, and value to the agency over time compared to shorter-term or replacement alternatives.

COMMITTEE RECOMMENDATION: The item will be presented to the full board on July 27, 2026.

EXECUTIVE SUMMARY:
RailComm has provided this system to CapMetro since the implementation of PTC, and it is currently in use for daily rail operations. Continuing with RailComm ensures uninterrupted service and avoids the risks and costs associated with transitioning to a new system. CapMetro policy also supports renewing contracts when it is determined to be the most advantageous option, based on price and a need to maintain continuity of operations and avoid service disruption.

The proposed contract will provide ongoing software hosting, maintenance, and support under a Software-as-a-Service (SaaS) model. This includes 24/7 technical support, system monitoring, performance reporting, cybersecurity protections, and disaster recovery capabilities. The multi-year term provides price stability and allows CapMetro to plan and budget effectively while continuing to leverage an established and integrated system.

If approved, the contract will take effect following completion of the procurement process and execution by both parties. The primary deliverable is the continued operation, support, and maintenance of the Rail Dispatch Control System over the contract term, ensuring reliable rail service for customers and supporting CapMetro’s broader operational goals.

The Board is being asked to approve the execution of this three-year agreement (base period of one (1) year plus two (2) one (1) year options) with RailComm to maintain and support this critical system, ensuring safe, reliable, and continuous rail operations for the community.

SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities

PROCUREMENT: On April 27, 2026, a request for a Sole Source Proposal was issued and advertised. The proposal from RailComm, LLC was received by the due date of May 4, 2026. The proposal was reviewed in all aspects of pricing and technical approach. The contract will be a fixed price for the Base Year and two (2) one-year renewal option periods.

Total Pricing Base Term (Year 1)	$ 295,900

Option Year 1 (Year 2)	$ 310,695
Option Year 2 (Year 3)	$ 326,230
GRAND TOTAL	**$932,825**

RESPONSIBLE DEPARTMENT: Information Technology

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1859

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro management recognize the need to provide a centralized, cloud-hosted platform for rail dispatch operations that integrates with existing CTC and PTC systems; and

WHEREAS, the CapMetro Board recognizes the need to ensure continuity of critical rail services and protection of operational data.

NOW, THEREFORE, BE IT RESOLVED by the CapMetro Board that the President & CEO, or her designee, is authorized to finalize and execute a contract with RailComm LLC (D/b/a Tracsis US) for software licensing, warranty, maintenance and hosting, with a base term of one (1) year and two (2) option years, in a total amount not to exceed $932,825.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

2910 East 5th Street
Austin, TX 78702

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2026-1773	**Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with The eConsortium Group for the replacement of the CapMetro telephone system, with a base term of three (3) years and two (2) option years, in a total amount not to exceed $1,559,441.

FISCAL IMPACT:
Funding for this action is available in the FY2026 Capital Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:

☐ 1. Customer ☐ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: Maintaining and acquiring telecommunications technology, to include switching equipment and software, contact center switching equipment and software, and business-related adjunct telecommunications equipment and software, in a state of good repair ensures stable and reliable systems as well as the productivity of employees.

BUSINESS CASE: This is a state of good repair initiative primarily to replace telecommunications technology that is limited in its technical ability to meet the needs of the agency. The current technology has exceeded its useful life expectancy and CapMetro must acquire new telecommunications technology where needs have changed. The lifecycle of typical telecommunications equipment and related software is five years. Every four to six years the systems are replaced or upgraded to maintain a state of good repair. The existing system was put into place in 2020.

COMMITTEE RECOMMENDATION: This item will be presented to the full Board on July 27, 2026.

EXECUTIVE SUMMARY: This contract will provide for the acquisition of telecommunications technology to replace the technology that is past its useful life and will allow for the acquisition of new technology where needs have changed.

SBE PARTICIPATION: A 3% SBE goal was assigned to this procurement. The contractor will be self-performing during the term of the contract and will be monitored for subcontracting activity.

PROCUREMENT: CapMetro will utilize the Texas Department of Information Resources (DIR), Contract Number DIR-CPO-5347, for Cisco Branded Products and Related Services, to contract with The eConsortium Group for the replacement of CapMetro's telephone system.

DIR awarded contracts are made available for use by CapMetro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and The Texas Interlocal Cooperation Act. Purchases made using DIR contracts satisfy otherwise applicable competitive bidding requirements.

Pricing for the replacement of the CapMetro telephone system was determined to be fair & reasonable by the DIR organization during its solicitation and award process. The following is The eConsortium Group's lump sum pricing for a base term of three (3) years with two (2) one-year options for renewal of licensing and maintenance:

Description	Lump Sum Price
Base Term - Telephone System Replacement, Licensing, and Maintenance	$1,114,021
Option Year 1 - Telephone System Licensing and Maintenance	$222,710
Option Year 2 - Telephone System Licensing and Maintenance	$222,710
Grand Total for Base and Option Years:	$1,559,441

The contract is a fixed price contract.

RESPONSIBLE DEPARTMENT: Information Technology

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1773

WHEREAS, the Capital Metropolitan Transportation Authority (CapMetro) Board of Directors and CapMetro management recognize the need to provide new innovative solutions; and

WHEREAS, the CapMetro Board recognizes the need to maintain telecommunications technology in a state of good repair to ensure stable and reliable systems which assist in improving employee productivity.

NOW, THEREFORE, BE IT RESOLVED by the CapMetro Board that the President & CEO, or her designee, is authorized to finalize and execute a contract with The eConsortium Group for the replacement of the CapMetro telephone system, with a base term of three (3) years and two (2) option years, in a total amount not to exceed $1,559,441.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

The picture can't be displayed.

Telephony Modernization

July 2026 Board Presentation

Treat as

Telephony Modernization: Future-State Communications Platform

CapMetro is modernizing telephony by transitioning to a cloud-based communications platform that strengthens reliability, scalability, reporting, and customer engagement capabilities.

Future-State Capabilities

- Omnichannel routing across voice, chat, text messaging (SMS), email, and social platforms
- Improved workforce forecasting, coaching, call recording, and analytics
- Microsoft Teams integration and unified dialing experience
- Modern voicemail and messaging capabilities
- Scalable platform foundation for future customer care and operational communication needs

Agency Value

- Improves service continuity for customer and operational communications
- Provides better visibility into call activity, performance, and service trends
- Reduces reliance on legacy on-premise infrastructure
- Creates a more flexible foundation for future digital service delivery

2

Treat as

Telephony Contract

Cost of Capabilities

Base Term

$1.1M spend
3-Year Base Contract Term
- Telephone System Replacement (Software, Hardware and Professional Services)
- Licensing, and Maintenance

Option Years

$223K annual spend
2 Option Years
- Standard licensing and maintenance
- Support hours

$1.6M Over 5 Years

Vision & Scope of Capabilities

- Omnichannel routing across platforms
- Workforce Management: coaching, forecasting, and analytics
- Call recording
- Microsoft Teams integration
- Unified dialing experience
- Modern voicemail and messaging capabilities
- Scalable platform foundation

Contract Process

Market Supplier Research
Review of research for market players – best practices, peer feedback, and rating for industry and agency alignment

Solution / Architecture Review
Short list of suppliers for deeper assessment and CapMetro architectural alignment

Vendor Recommendation Process
Suppliers selected from CapMetro from Texas Department of Information Resources* (DIR) with a CapMetro Request for Proposal (RFP) process and selection panel

Contractor Selection
3 responses received, panel reviewed and recommended The eConsortium Group based on alignment to business and technical requirements

Awaiting CEO Approval of Award
Finalize and execute a contract, with a base term of 3 years and 2 option years

*Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and The Texas Interlocal Cooperation Act. Purchases made using DIR contracts satisfy otherwise applicable competitive bidding requirements.

3

Treat as Internal

2910 East 5th Street
Austin, TX 78702

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors | **Item #:** AI-2026-1864 | **Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with the Texas Department of Information Resources (DIR), to renew Salesforce Marketing and Data Cloud Licensing for a term of one (1) year, in a total amount not to exceed $321,750.

FISCAL IMPACT:
Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
☒ 1. Customer ☐ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: The Salesforce Customer Relationship Management (CRM) system allows CapMetro to centrally manage customer information. This will continue CapMetro's brand reputation as an organization that is easily reachable, listens, and provides value to the community while at the same time providing customer service excellence.

BUSINESS CASE: In 2024, CapMetro acquired the Salesforce Data & Marketing Cloud application to aggregate and centralize customer information for tailored outreach and communication with the CapMetro brand. Salesforce is a customer relationship management (CRM) technology designed to help CapMetro stay better connected to customers, streamline processes, and provide existing and potential customers with the best experience possible.

COMMITTEE RECOMMENDATION: This item will be presented to the full Board on July 27, 2026.

EXECUTIVE SUMMARY: CapMetro has implemented Salesforce Data Cloud to further provide customer knowledge toward building a customer 360 profile. CapMetro continues the use of Salesforce Marketing Cloud and Data Cloud to aggregate and centralize customer information for tailored outreach and communication, providing customers with a more personalized, satisfying experience with the CapMetro brand. CapMetro procured Salesforce technology and implementation services from the State of Texas Department of Information Resources Share Technology Services and this contract will continue to support CapMetro's enterprise customer relationship management strategy.

powered by Legistar™

SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities and was purchased through a cooperative purchasing agreement.

PROCUREMENT: CapMetro will utilize the Texas Department of Information Resources (DIR) Interlocal Contract No. DIR-SS-ILC0030 held by DIR and CapMetro for Shared Technology Services and DIR Contract DIR-CPO-5687, to renew Salesforce Marketing and Data Cloud Licensing for one (1) year.

DIR awarded contracts are made available for use by CapMetro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and The Texas Interlocal Cooperation Act. Purchases made using DIR contracts satisfy otherwise applicable competitive bidding requirements. Texas Government Code, Section 2054.0565 (b) states that DIR Contracts meet competitive requirements for all governmental entities.

The fixed price amount for a one (1) year licensing renewal is as follows:

Description	Amount
Salesforce Marketing and Data Cloud Licensing Renewal	$ 321,750

RESPONSIBLE DEPARTMENT: Information Technology

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1864

WHEREAS, the Capital Metropolitan Transportation Authority (CapMetro) Board of Directors and CapMetro management recognize the need to continue the use of Salesforce Marketing Cloud to the Data Cloud that aggregate and centralize customer information for tailored outreach and communication, provide customers with a seamless and a more personalized, satisfying experience with the CapMetro brand.

NOW, THEREFORE, BE IT RESOLVED by the CapMetro Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with the Texas Department of Information Resources (DIR), to renew Salesforce Marketing and Data Cloud Licensing for a term of one (1) year, in a total amount not to exceed $321,750.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

2910 East 5th Street
Austin, TX 78702

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors | **Item #:** AI-2026-1860 | **Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with EXOS Works, Inc for Wellness Program Services, with a base term of 2 years and 3 option years, in a total amount not to exceed $1,991,858.

FISCAL IMPACT:
Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
☐ 1. Customer ☐ 2. Community
☒ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: CapMetro's Wellness Program has enabled the organization to reduce costs while improving employee health and morale for 23 years. The program also focuses on improving safety and job preparedness thus increasing engagement.

BUSINESS CASE: The recommended contractor has demonstrated their ability to provide these services in a holistic and cost-effective manner that will benefit CapMetro along with the employees of the various contracted Service Providers. We are confident that EXOS will continue to position CapMetro as a healthy workplace and leader in providing wellness services in the transit industry.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on July 27, 2026

EXECUTIVE SUMMARY: The purpose of this contract is to provide wellness program services to CapMetro and Service Provider employees with the goal of improving employee health, morale, job performance and safety while reducing healthcare, absenteeism and other related costs.

The contractor will be responsible for delivering a variety of wellness, fitness, and nutritional counseling. This includes operating (4) existing fitness centers at various company owned facilities and providing personal training to participants both in-person and through their digital platform. Additional services include nutritional counseling, tobacco cessation programs, and the development of targeted programming to address the top five health diagnoses among employees.

CapMetro currently contracts these services with EXOS whose contract expires August 31, 2026. CapMetro is pleased with the current performance of EXOS.

SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities.

PROCUREMENT: On March 9, 2026, a Request for Proposals (RFP) was issued and formally advertised for Wellness Program Services. By the due date of April 10, 2026, four (4) proposals were received. After a thorough evaluation process which included oral discussions and final proposal revisions (FPRs), the evaluation team determined EXOS Works, LLC to be the best value to CapMetro, price and technical factors considered. The resulting contract is a fixed price contract with a two-year base period and three (3) one-year option periods for a total price of $1,991,858.

Total Pricing Base Period (Years 1 and 2)	$ 761,607
Total Pricing Option Period 1 (Year 3)	$ 398,024
Total Pricing Option Period 2 (Year 4)	$ 409,964
Total Pricing Option Period 3 (Year 5)	$ 422,263
GRAND TOTAL	**$1,991,858**

RESPONSIBLE DEPARTMENT: People & Culture

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1860

WHEREAS, the Capital Metropolitan Transportation Authority (CapMetro) Board of Directors and CapMetro management recognize the opportunity to improve the health, wellness, and safety of CapMetro and Service Provider employees; and

WHEREAS, the CapMetro Board of Directors and management recognize the need to continue offering a robust wellness program for team members.

NOW, THEREFORE, BE IT RESOLVED by the CapMetro Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with EXOS Works, Inc. for wellness program services, with a base term of 2 years and 3 option years, in a total amount not to exceed $1,991,858.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

Wellness Program Services

CapMetro Board of Directors

July 2026

Program History & Awards

Program History

- The CapMetro Wellness Program was originally developed to address leading diagnoses that drive CapMetro health care costs.
- The focus was on implementing a holistic approach that would address nutrition, exercise, and holistic employee health to build and maintain a strong culture of wellness.
- CapMetro's wellness program was designed to reach every employee across the organization – internal staff and service provider personnel alike.
- The program has been awarded a total of $440,000 in grants.

Wellness Program History

2003
Program Start
The Wellness Program was originally implemented to address leading diagnoses that drive CapMetro health care costs.

2006
1st Gym Opens
The first of our four onsite gyms was established.

2009
Recognized in CDC study
CDC case study about preventing chronic illness. Recognized our wellness program outcomes.

2012
Austin's Healthiest Employer
Austin Business Journal named CapMetro "Central Texas' healthiest employer"

2013
Tobacco-Free Workplace Policy
The policy officially established CapMetro as a tobacco-free campus.

2014
Innovation Award
CapMetro received APTA's innovation award highlightinh fostering a culture of wellness and operation efficiency.

2019
APTA Innovation Award Recipient
CapMetro was honored for our holistic, technology-based approach to improving employee health, and enhancing safety awareness.

2022
Healthiest Workplace Award
CapMetro was recognized by the Mayor's Health and Well-Being Council (MHWC) as Austin's Healthiest Workplace for 1,000-5,000 employees.

2023
20th Anniversary of the Wellness Program
Our program celebrated 20 years, an important milestone.

2024
Moving the Needle Award
Honors workplaces that have implemented and supported outstanding employee health initiatives aligned with the MHWC's Pillars of wellness

2026
Contract Year
Here we are today looking to recommend a contractor for wellness program services.

3

Program Services

Physical & Wellness Activities

- Free Personal training at CapMetro fitness centers
- Bike Loan program
- Lunch & Learns on health, nutritional, and wellness topics
- DOT prep program to support CDL holders

Mental Health & Holistic Support

- Weekly mental health support classes
- On-site Tobacco cessation program

Digital & Wellness Coaching

- Wellness app with robust on-demand content library
- 1:1 digital communication with coaches
- Virtual and in-person training
- Health screenings and DOT prep assistance

Key Takeaway: Program Engagement

2026 totals are based on YTD numbers and not final.

20%
Participation Rate Baseline
Standard baseline for companies with one onsite facility

+20%
Membership Growth
1,275 avg (2023) - 1,537 avg (2026 YTD)

+41%
Visits/Day Growth
34.3 avg (2023) - 48.5 avg (2026 YTD)

+20.9%
Participation Rate
Projected full-year 2026 avg, down from 22.6% in 2025.

80%/20%
User Breakdown
Service Partners / CapMetro Users

Testimonials

“The Wellness Program has helped with customized training. Different and a variety of exercises. Direction from trainers helps me stay focused. Group workouts. Motivation from others. Lots of laughs.”

“Working with the wellness team over the last year has really helped me make better decisions with eating and the app has some great recipes to keep me making good choices.”

6

Requested Authorization

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with EXOS Works, Inc for Wellness Program Services, with a base term of 2 years and 3 option years, in a total amount not to exceed $1,991,858.

Board of Directors **Item #:** AI-2026-1867 **Agenda Date:** 7/27/2026

SUBJECT:
Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with W.W. Grainger for bus and building parts and small tools and equipment for a base term of fifteen (15) months with two (2) option years, in a total amount not to exceed $3,040,870.

FISCAL IMPACT:
Funding for this action is available in the FY26 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
☐ 1. Customer ☐ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: This contract ensures organizational efficiency and fiscal responsibility by securing significant discounts for items we are already purchasing from Grainger.

BUSINESS CASE: The repair and maintenance of fleet and facilities require ad hoc, on-demand, purchase of bus and building parts, small tools and equipment which is readily made available by an on-line vendor with local inventory, reducing the need to maintain stock and inventory. We are already procuring these items from Grainger, this agreement just ensures we are getting discounted pricing.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on July 27, 2026.

EXECUTIVE SUMMARY: By joining the Omnia Co-op contract between W.W. Grainger and the City of Tucson we are ensuring significant discounts for consumables, parts, tools, safety equipment, etc. that are needed for day-to-day operations. Grainger is already an approved and trusted supplier for CapMetro. This contract locks in discounts for items we are already purchasing, ensuring good stewardship of public funds. This contract has a base year of 15 months (execution through 30 September 2027 and (2) option years. The total not to exceed amount is $3,040.869.89.

DBE/SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities.
PROCUREMENT: CapMetro will utilize OMNIA Partners Contract No. R192002 held by W.W. Grainger for

Maintenance, Repair, and Operations (MRO) Supplies & Related Services.

OMNIA Partners contracts are made available for use by CapMetro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts, and the Texas Interlocal Cooperation Act. Purchases made using OMNIA Partners contract satisfy otherwise applicable competitive bidding requirements.

Pricing for bus and building parts, small tools and equipment was determined to be fair and reasonable by OMNIA Partners during its solicitation and award process. The contract is for a base term of fifteen (15) months, with two (2) option years in the not to exceed amounts detailed below:

Description	Not to Exceed
Base Term - Bus and Building Parts, and Small Tools and Equipment	$1,189,364.
Option Year 1 - Bus and Building Parts, and Small Tools and Equipment	$914,324.
Option Year 2 - Bus and Building Parts, and Small Tools and Equipment	$937,182.
Grand Total - Base Option Years Inclusive:	$3,040,870.

RESPONSIBLE DEPARTMENT: Bus and Maintenance Operations

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1867

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro Management recognize the need to support day-to-day operations.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with W.W. Grainger for purchase of parts, consumables, tools, and miscellaneous items, with a base term of fifteen (15) months with 2 option years, in a total amount not to exceed $3,040,870.

______________________ **Date:** ______________________
Secretary of the Board
Becki Ross

CapMetro

Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors **Item #:** AI-2026-1879 **Agenda Date:** 7/27/2026

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Tryggr Roofing & Construction LLC for roof replacement at the Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street, Austin, Texas, in an amount not to exceed $676,691.

FISCAL IMPACT:

Funding for this action is available in the FY2026 Capital Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

☐ 1. Customer ☐ 2. Community
☒ 3. Workforce ☐ 4. Organizational Effectiveness

EXPLANATION OF STRATEGIC ALIGNMENT: These projects support Customer, Community, and Organizational Effectiveness by proactively replacing end-of-life roofing systems at CapMetro's Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street. Replacing the existing roofs mitigates the risk of water intrusion, protects critical building systems, and helps ensure reliable, safe, and uninterrupted facility operations that directly support transit service delivery.

Proactive roof replacement reduces reactive maintenance and emergency repairs, preserves the condition of public assets, and extends the useful life of the facilities through installation of durable roofing systems backed by long-term warranties. Collectively, these improvements enhance operational reliability, reduce unplanned service disruptions, and demonstrate responsible stewardship of CapMetro's infrastructure.

BUSINESS CASE: The roofing systems serving CapMetro's Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street have reached the end of their useful life and are experiencing water intrusion. Continued operation of deteriorated roofing exposes the facilities to increasing corrective maintenance costs, potential damage to building systems, and heightened risk of operational disruption. Proactive roof replacement is the most cost-effective approach to protecting these critical facilities, avoiding emergency repairs, unplanned downtime, and premium costs associated with reactive response to roof failures. Installing new roofing systems restores building envelope integrity, improves resilience to weather exposure, and protects interior spaces, equipment, and operations.

Bundling the roof replacements under a single contract improves efficiency and cost control by consolidating procurement, minimizing mobilization costs, and ensuring consistent installation standards and warranty coverage across all three buildings.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on July 27, 2026.

EXECUTIVE SUMMARY: The CapMetro Facilities Maintenance Department is requesting Board approval for the award of a contract to replace the roofing systems at the Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street, in an amount not to exceed $676,691.

The existing roofing systems have reached the end of their useful life and are experiencing water intrusion that poses increasing risk to building systems and ongoing operations. Approval at this time will allow staff to proceed with planned roof replacements during appropriate weather conditions, minimizing construction risk and preventing further deterioration or damage to the facilities.
The Board is asked to approve the contract award and authorize the President & CEO, or her designee, to finalize and execute the agreement.

SBE PARTICIPATION: A 2.5% SBE goal was assigned to this procurement. The contractor has committed to 2.5% during the term of the contract and will be monitored.

PROCUREMENT: On June 11, 2026, an Invitation for Bid (IFB) for roof replacements located at 2910 E. 5th Street (Administration, Fleet Maintenance, and Fuel & Wash Buildings). Out of eight bids received by July 13, 2026, Tryggr Roofing & Construction LLC was determined to be the lowest responsive and responsible bidder. Tryggr affirmatively met all financial, capability, performance and debarment checks. Price was deemed to be fair and reasonable based on competitive price analysis. This will be a fixed-priced contract for an amount not to exceed $676,691.

RESPONSIBLE DEPARTMENT: Facilities Maintenance

RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

AI-2026-1879

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors recognizes the need to preserve and protect CapMetro's critical facilities by maintaining the integrity of building envelopes to ensure safe, reliable, and uninterrupted operations; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors recognizes the need to proactively replace these end-of-life roofing systems to reduce the likelihood of unplanned failures, protect interior building systems and equipment, and extend the useful life of the facilities through installation of durable roofing systems with long-term warranty coverage.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with Tryggr Roofing & Construction LLC for roof replacement at the Administration, Fleet Maintenance, and Fuel & Wash Buildings located at 2910 E. 5th Street, Austin, Texas, in an amount not to exceed $676,691.

______________________ **Date:** ______________________

Secretary of the Board
Becki Ross

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors **Item #:** AI-2026-1854 **Agenda Date:** 7/27/2026

FY2027 Budget Proposal

The picture can't be displayed.

FY2027 Budget Proposal

Board of Directors 7/27/2026

Discussion Outline

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

2

FY2027 Budget Development Calendar

• Feb 5	Operating and Capital Budget kick-off meeting with departments
• Apr 22	Capital and Operating Budget requests received from departments
• Jun 22	Board of Directors initial review and discussion
Jul 27	Budget proposal presented to Board of Directors
• Jul 31	Presentation to Public Safety Advisory Committee
• Aug 5	Presentation to Access Advisory Committee
• Aug 12	Presentation to Customer Satisfaction Advisory Committee
• Aug 13	Presentation to Project Connect Community Advisory Committee

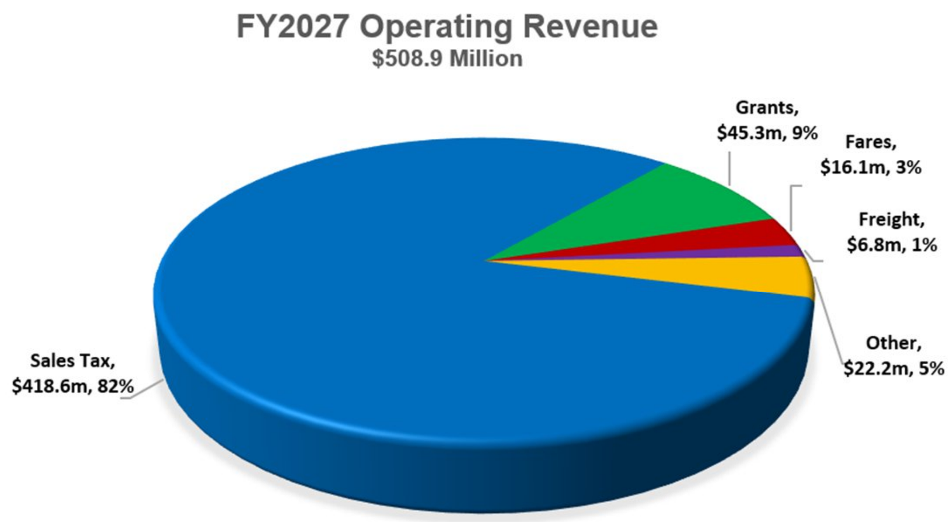
FY2027 Budget Community Engagement

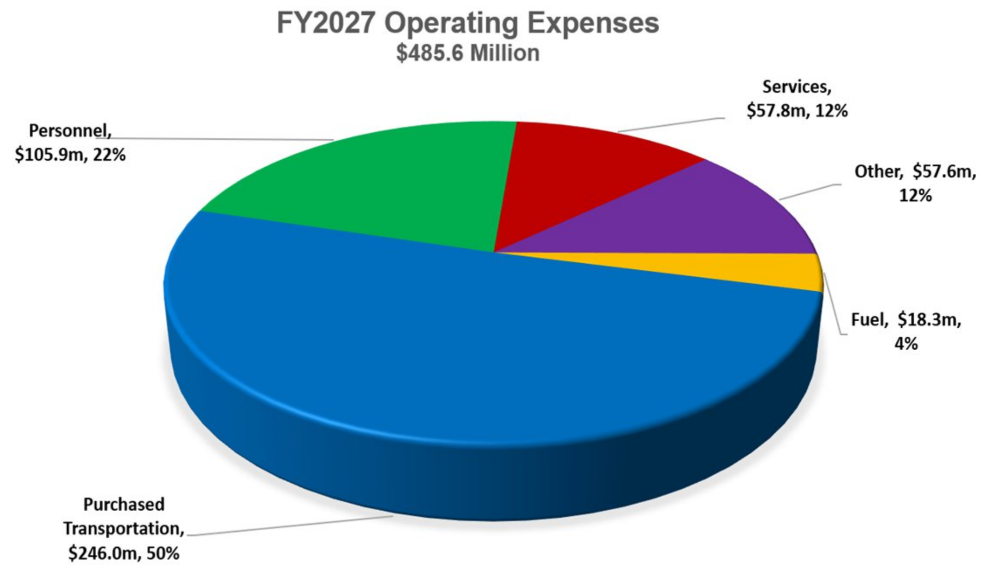
- Aug 21 Proposed budget document is published online
- Aug 24 Update Board of Directors
- Aug 24-28 Budget outreach and webinar
- Sep 16 Update Board Committees
- Sep 16 Public hearing on proposed budget and capital improvement plan
- Sep 28 Board of Directors considers budget proposal for adoption

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 2% for FY2027 over FY2026 Forecast
  - Declining growth in Fiscal Years 2024 and 2025 followed by an upward trend in 2026
- Service funding based on August Service Plan changes
- Investment in customer-focused transit infrastructure projects

FY2027 Operating Budget Summary





- Heavily dependent on sales tax revenue and grants for annual funding
- Grants include 5307 formula funds, Climate Pollution Reduction and TOD grant funding

- Half of the budget pays for contracted transit services
- Includes funding for increased CapMetro Rapid operations, maintenance and support services and Rail in-house dispatch, operations and vehicle maintenance beginning in January 2027

6

FY2027 BUDGET - OPERATING COSTS

Operating Cost Drivers

- Service levels based on August Service Plan changes
  - Purchased transportation costs are developed using budgeted hours and contractual rates
- Full year of increased frequency on Pleasant Valley and Expo Center Rapid routes
- Change in Rail structure beginning in January 2027
- Fuel prices remain higher over the next fiscal year
  - Diesel estimate of $2.90 per gallon, inclusive of tax
  - No fuel hedge currently in place for FY2027 due to higher diesel pricing
- Performance-based average annualized pay increase for employees
- Strategic plan initiatives considered in budget preparation

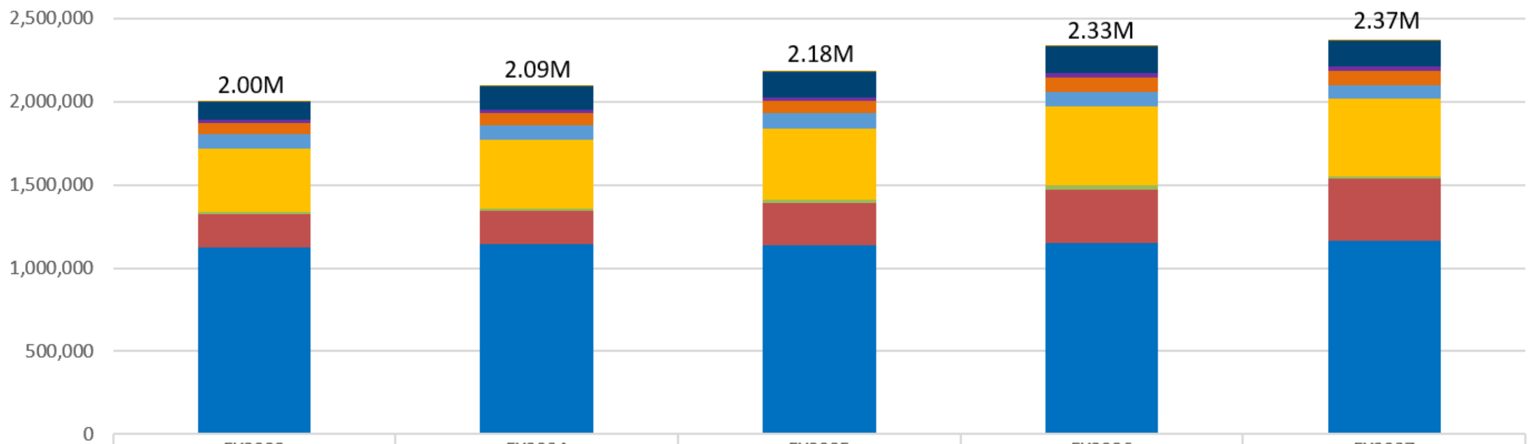
Operating Expense Comparison

$' Million Expense Category	FY2025 Actual	FY2026 Budget	FY2027 Budget	$ Increase / (Decrease)
Salaries and Benefits	$88.7	$94.1	$105.9	$11.8
Professional Services	47.7	51.9	57.8	5.9
Materials and Supplies	26.9	24.0	28.4	4.4
Fuel and Fluids	14.8	15.5	18.3	2.8
Utilities	5.4	7.0	6.6	(.4)
Purchased Transportation	239.7	233.7	246.0	12.3
Lease/Rentals	2.9	4.2	3.2	(1.0)
Other Expenses	4.5	12.1	19.4	7.3
Total Operating Expense	$430.5	$442.4	$485.6	$43.1

- Salaries and Benefits – Includes new Rail structure, merit, pension and benefits increases
- Purchased Transportation – Bus and Demand Response pass-through expense and full year of CapMetro Rapid Pleasant Valley and Expo Center increased frequency
- Other Expenses – Additional cost for Rail insurance

Service Levels

Vehicle Hours



	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Budget	FY2027 Budget
Special Events	931	922	2,219	936	778
Pickup	103,326	138,171	152,178	159,956	154,752
CapMetroRail	20,430	22,185	21,711	26,328	26,389
CapMetro Vanpool	66,420	71,258	75,001	83,808	84,046
UT Shuttle	88,776	88,248	89,220	86,121	80,872
CapMetro Access	381,554	410,345	430,580	475,616	466,281
CapMetro Express	13,654	17,065	17,144	25,378	17,070
CapMetro Rapid	200,826	202,221	255,270	321,994	373,379
CapMetro Bus	1,122,871	1,141,585	1,137,020	1,151,544	1,164,172

FY2027 BUDGET - REVENUES

Operating Revenue

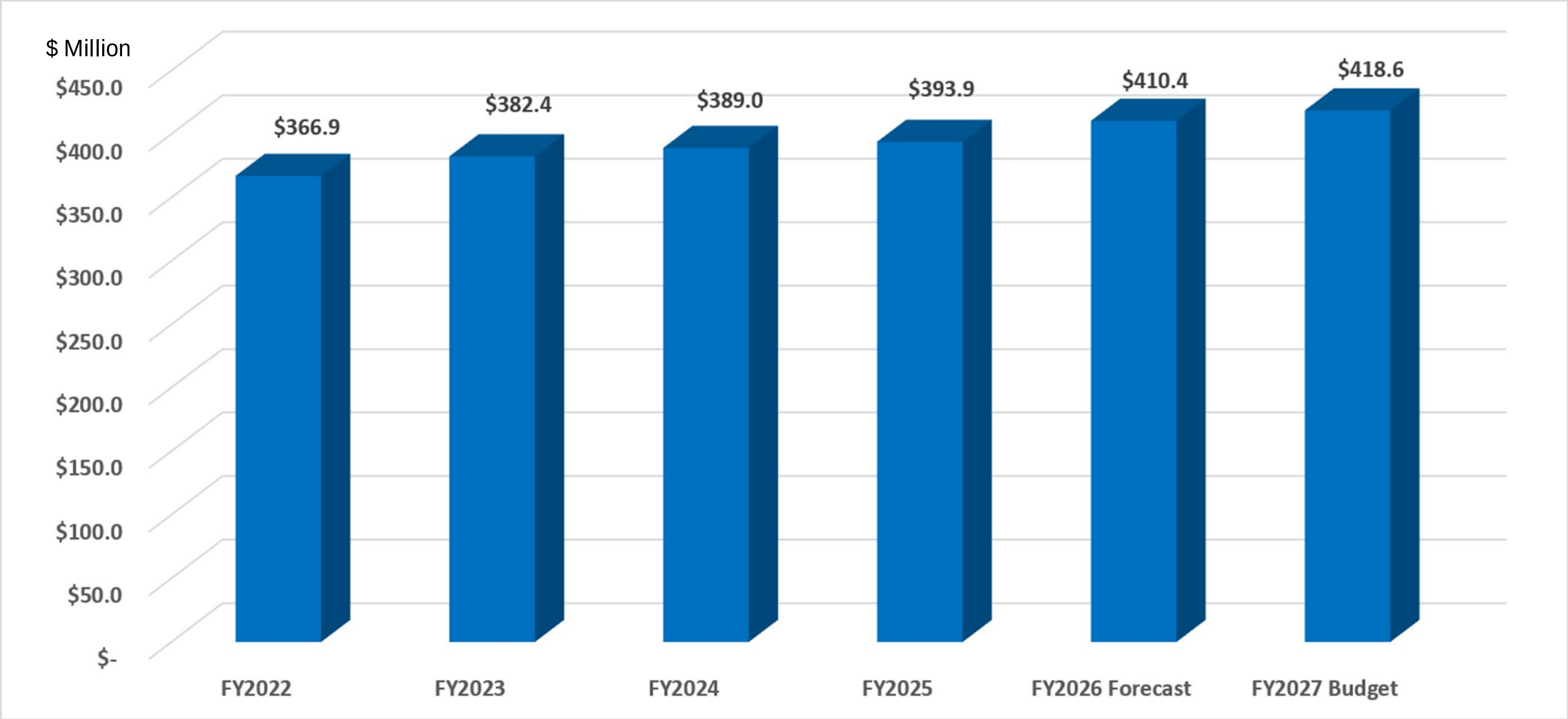
- Fare Revenue
  - Fare revenue based on ridership projections for FY2027 and proposed January 2027 fare increase
- Federal Grants
  - Approximately $40 million annually in Section 5307 funds
- Freight Railroad Revenue
  - Mainline revenue on target with FY2026 Budget of $5.4 million

Revenue Comparison

$' Million Revenue Category	FY2025 Actual	FY2026 Forecast	FY2026 Budget	FY2027 Budget	$ Increase / (Decrease)
Sales Tax	$393.9	$410.4	$399.0	$418.6	$19.6
Passenger Revenue	15.4	16.7	18.9	16.1	(2.8)
Freight Railroad Revenue	6.9	6.8	6.9	6.8	(.2)
Other Revenue	32.8	18.6	18.2	22.2	4.1
Operating Contributions and Grants	85.2	45.4	70.1	45.3	(24.9)
Capital Grants and Contributions	42.2	12.8	31.6	66.9	35.3
Project Connect Capital Contributions	11.1	37.2	17.1	1.3	(15.9)
Total Revenue	$587.5	$547.8	$561.8	$577.1	$15.2

- Sales Tax – Projected 2% increase for Fiscal Year 2027 Budget over Fiscal Year 2026 Forecast
- Operating Grants – Includes Section 5307 funding, Climate Pollution Reduction and TOD grant funding
- Capital Grants and Contributions – FY2027 includes Demand Response facility grant, Red Line double tracking RAISE grant, and 5307, 5337 and 5339a formula grants

Sales Tax Revenue



FY2027 CAPITAL BUDGET

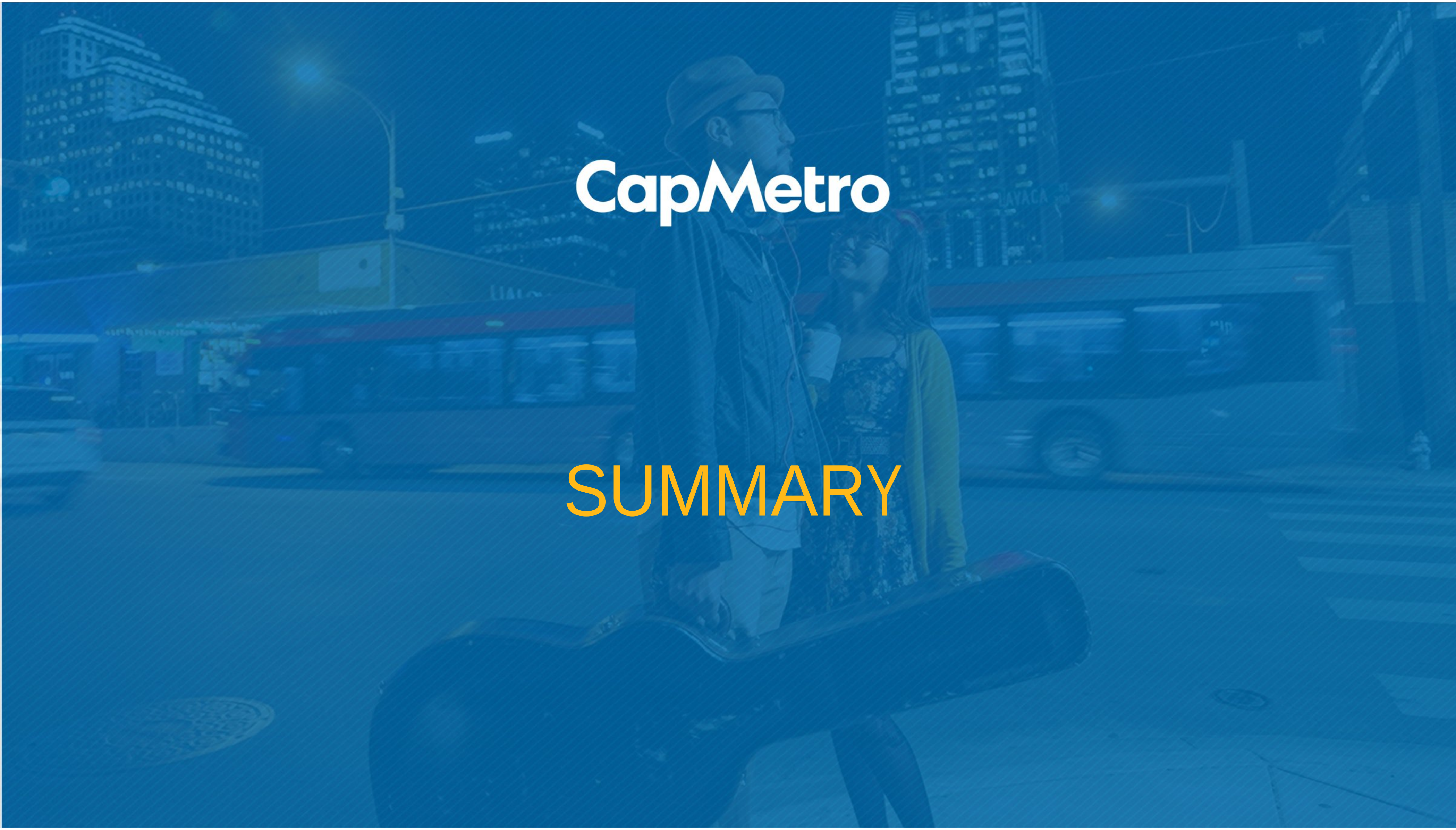
Capital Budget Highlights

- Demand response operations and maintenance facility
- North Burnet/Uptown Rail Station
- Hybrid bus purchases
- Bus stop enhancements and improvements

16

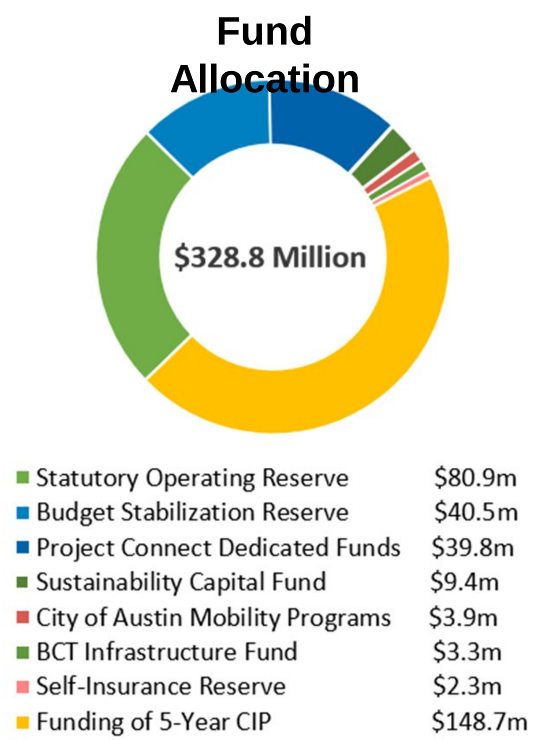
Proposed 5-Year Capital Plan

$' Million Project Category	FY2027	FY2028	FY2029	FY2030	FY2031	Total
Vehicles	$51.4	$5.5	$53.0	$56.3	$61.9	$228.0
Commuter Rail	11.7	5.9	6.2	6.7	5.5	36.1
Facilities	27.5	34.6	19.8	5.4	2.9	90.2
Information Technology	13.3	13.6	2.1	2.8	-	31.8
Other	32.0	6.8	5.9	6.1	5.5	56.3
Project Connect	5.0	5.0	5.0	38.0	45.0	98.0
Property and Asset Mgmt	61.6	42.5	1.0	.9	.4	106.3
Total Capital Projects	$202.5	$114.0	$93.0	$116.2	$121.1	$ 646.9
Funding						
Local Funding	134.3	103.0	47.9	63.9	63.0	412.2
Grants/Contributions	68.2	11.0	45.1	52.3	58.1	234.7
Total Capital Projects	$202.5	$114.0	$93.0	$116.2	$121.1	$ 646.9
Project Type						
Enhancement	128.9	88.3	29.6	48.1	50.2	345.2
State of Good Repair	73.5	25.7	63.5	68.1	70.9	301.7
Total Capital Projects	$202.5	$114.0	$93.0	$116.2	$121.1	$ 646.9

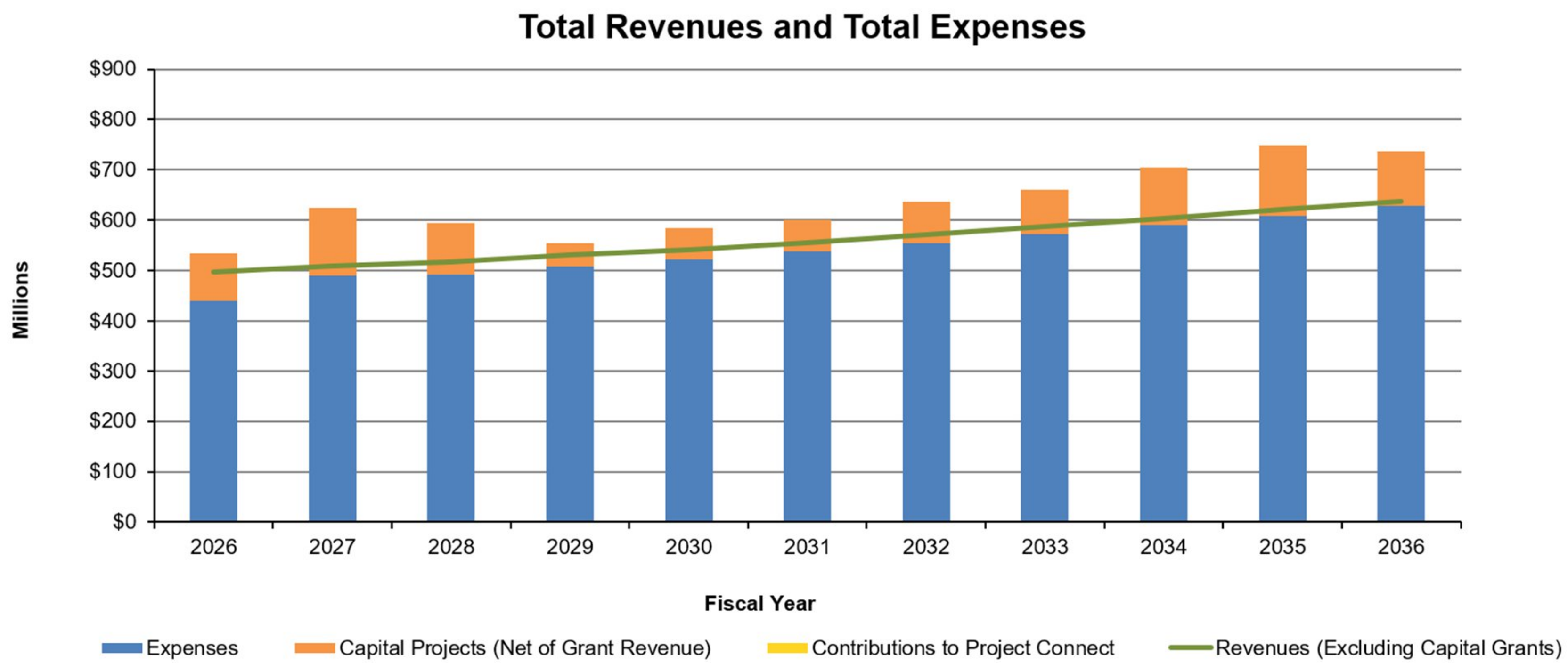

SUMMARY

Fund Balance and Reserves

FY2027 Projected Activity	$' Million
Projected Beginning Balance	$445.3
+ Revenue	577.1
- Operating Expenses	(485.6)
- Capital Projects	(202.5)
- Interlocal Agreements	(5.5)
Projected Ending Balance	$328.8



Long-Range Financial Model



- One-time, accumulated funding available for capital investments
- Ongoing revenue assumption is sufficient to fund operations and capital needs through Fiscal Year 2030
- Budget risk if sales tax growth does not develop as projected

Next Steps

- Review budget proposal with Board Advisory Committees
- Publish draft budget document online
- Budget outreach and webinar
- Budget updates to Board/Board Committees if necessary
- Public hearing on the proposed budget
- Final Board approval scheduled for September 28
- Board update on Long-Range Financial Plan

The picture can't be displayed.

Thank you!

Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors	**Item #:** AI-2026-1876	**Agenda Date:** 7/27/2026

Update on restoration of CapMetro Bikeshare service.

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors | **Item #:** AI-2026-1869 | **Agenda Date:** 7/27/2026

President and CEO Monthly Update - July 2026

2910 East 5th Street
Austin, TX 78702

CapMetro

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2026-1870	**Agenda Date:** 7/27/2026

Executive Session under 551.072, Deliberation Regarding Real Property, to discuss potential lease and/or value of real property, specifically office space in CapMetro-owned facilities.

Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors **Item #:** AI-2026-1861 **Agenda Date:** 7/27/2026

Memo: Update on Bus Operations and Maintenance Labor Negotiations (June 18, 2026)

CapMetro | **MEMORANDUM**

To: CapMetro Board of Directors

From: Andy Skabowski, Executive Vice President, Chief Operating Officer

Date: June 18, 2026

Subject: Update on Bus Operations and Maintenance Labor Negotiations

The purpose of this memo is to update the CapMetro Board on ongoing discussions between CapMetro bus operations and maintenance service provider, Keolis, and the Amalgamated Transit Union 1091, concerning a collective bargaining agreement (CBA).

As noted in the attached letter from Keolis, Keolis provided a “best and final offer” to ATU leadership for union consideration, at ATU’s request. The terms of the offer are included in the attachment. Union leadership has hosted an informational session for members and intends to host a vote on the offer on June 27, 2026. CapMetro is aware that the vote on the offer will also allow the union to implement a work stoppage should the outcome of the vote on the offer be a “no”. Should the outcome of the vote be a “no”, a work stoppage would happen at the discretion of union leadership, not necessarily immediately after the vote is taken.

CapMetro has seen the best and final offer provided by Keolis, conducted extensive market and peer agency wage comparison (including the existing, 2026 CBA between CapMetro Demand Response service provider, MTM, and ATU 1091), reviewed the ability to hire and retain frontline team members, reviewed wage progression over time, and thoughtfully reviewed the financial parameters of CapMetro’s operating budget and sales tax revenue. CapMetro cannot extend additional financial support to this process without reducing transit service provided by CapMetro to the community.

CapMetro’s role in this process is to establish the financial parameters within which Keolis can negotiate. CapMetro is not engaged in specific terms of the offer(s) Keolis, or any CapMetro service provider, makes throughout the negotiation process. CapMetro can also respond to non-financial issues raised as part of the process, as the entity responsible for service schedules, safety and security of the system, etc.

CapMetro cannot deliver our mission without the hard work from frontline operations and maintenance personnel, and values their commitment to transit service. Our priority throughout this process is ensuring we are respectfully engaging as appropriate and reiterating our appreciation for these members of the broad CapMetro team.

Should CapMetro Board Members require additional information to support their understanding of this process and potential outcomes, please contact Ed.Easton@capmetro.org.

Attachment:

- June 18, 2026 Letter to CapMetro from Keolis, “RE: Labor Update”

June 18, 2026

Ms. Michele Stiehler
Vice President, Bus & Maintenance Operations
Capital Metro
2910 E 5th Street
Austin, TX 78701

RE: Labor Update

Dear Michele:
Keolis is providing you with an update on the status of the negotiations with Amalgamated Transit Union (ATU) 1091, who represent our service delivery employees. It is important to note that Keolis has and will continue to bargain in good faith.

At the request of the ATU, Keolis was asked to provide our best and final offer (BAFO) on May 28, 2026. Some of the key elements of the BAFO include:

1. **Wage Increases**: Wage increases totaling 12% over three years for operators, maintenance, and supervisory/admin classifications. Scheduled annual increases of 3% (2026), 4% (2027), and 5% (2028) respectively.
2. **Retroactive Wages**: effective January 1, 2026, following the expiration of the current collective bargaining agreement on December 31, 2025.
3. **Training and Development**: Enhanced training and development programs to improve mechanic competencies.
4. **Increased Allowances**: for tools and safety equipment.

Keolis did present the ATU with additional terms for consideration including wage progression for parts and service island employees and 401(k) enhancements. However, the ATU requested that we include all economically related terms solely in wages.

The ratification vote is scheduled for June 27th, 2026.

Sincerely,

Duane Eskierka

Duane Eskierka
General Manager

2910 East 5th Street
Austin, TX 78702

Board of Directors	**Item #:** AI-2026-1862	**Agenda Date:** 7/27/2026

Memo: Follow-up to June 2026 Board Committee Meetings (June 24, 2026)

CapMetro | MEMORANDUM

To: CapMetro Board of Directors

From: Cheyenne Conyer, Chief of Staff

Date: June 24, 2026

Subject: Follow-up to June 2026 Board Committee Meetings

The purpose of this memo is to provide follow-up information to the CapMetro Board of Directors, following discussions during the Board Committee meetings held on June 10, 2026. Board Members with questions should contact Ed.Easton@capmetro.org.

Fare Collections

During the Finance, Audit & Administration (FAA) Committee discussion on the UT Audit Interns' projects, Board Members inquired about the volume of transactions on our service that are cash driven. In March 2026, the most recent month for which data is available, cash fares comprised about 40 percent of CapMetro's fare transactions. The Fiscal Year 2026 average cash percentage of our fare collections is approximately 45 percent.

Animals on CapMetro Service

During public comment at both committee meetings, a customer raised a request for CapMetro to implement changes to our Code of Conduct, specifically, requesting CapMetro require animals to be muzzled to board the service.

CapMetro's Code of Conduct only allows service animals trained to complete a specific task in support of their handler to board our service, in alignment with Americans with Disabilities Act (ADA) regulations and regulations specific to transit providers provided by the Federal Transit Administration. Pets and emotional support animals are not permitted to board CapMetro services.

Service animals are protected by federal regulations, and CapMetro personnel are only permitted to ask an animal's handler whether the animal is a pet or service animal, and, if it is a service animal, what task the animal is trained to perform. There are no other mechanisms CapMetro can use to ensure all animals onboard are service animals, and CapMetro is restricted from imposing other requirements on service animals or their handlers, including requiring the animal to wear certain equipment, such as a muzzle.

All animals, regardless of breed, size, or functions performed for the handler, are required to be under the control of their handler at all times. Customers with aggressive animals (growling, snapping, fighting, jumping, etc.) and customers who are unable to control their animals, will be asked to deboard or otherwise held responsible for Code violations.

Public Comments in Minutes

During public comment at both committee meetings, a customer raised a concern regarding CapMetro Board and Board Committee Meeting minutes, specifically, how public comment is reflected in the minutes.

In the past, CapMetro attempted to synthesize the verbal comments provided by customers and members of the public. Following feedback from customers who raised concerns about their comments being captured incorrectly or out of line with the speakers' expectations, CapMetro changed our practice and now only provides the name of the speaker.

At this time, CapMetro staff does not recommend a change to how public comment is captured in Board and Board committee minutes but will add to the minutes a link to the live stream of comments for reference.

Under the Texas Open Meetings Act (TOMA) there are no specific requirements for how public comment is captured, and CapMetro's current approach complies with the law. TOMA requires that we either keep minutes of a meeting or make a recording, and we do both at CapMetro, and minutes must include a description of deliberations and votes or actions, but there is no specific requirement regarding public comment. CapMetro routinely reviews peer agencies in the transit industry and local agency partners, and there are varying approaches to documenting public comment (see table below).

Comments regarding Recent Procurement

During public comment at the Operations, Planning and Safety Committee meeting, a representative from a vendor who recently bid on a CapMetro procurement spoke. Before public comment and following the remarks, CapMetro staff spoke with the representative to reiterate CapMetro procurement processes and reviewed the process followed. The procurement for renovations at 624 Pleasant Valley for the Demand Response Eligibility center was completed in line with CapMetro's Board-approved procurement policy, agency procedures, and state law.

Agency or organization	Lists speaker's name	Lists general topic (i.e., "service issue")	Lists sentiment of comment when speaking on posted agenda items (i.e., in favor/against)	Synthesizes or summarizes comments	Other
CapMetro Board and Board Committees	✓				
Austin City Council	✓	✓ *			
Travis County Commissioners Court	✓				Lists the organization the speaker is representing
Leander City Council	✓	✓			
Manor City Council	✓	✓	✓		
Austin Transit Partnership	✓				
Houston Metro	✓			✓	
Via Transit (San Antonio)					Does not post meeting minutes publicly
Dallas Area Rapid Transit (DART)	✓	✓			Lists the city the speaker resides in
Capital Area Metropolitan Planning Organization (CAMPO)	✓				Provides link to video of public comment for reference
Williamson County Commissioners Court	✓				Lists the city the speaker resides in
Central Texas Regional Mobility Authority (CTRMA)	✓				Lists the organization the speaker is representing

* The Austin City Council captures general topics for general public comment unrelated to posted items, but does not include in meeting minutes any details, such as sentiment or summary of comments, for people speaking on posted agenda items.

Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors | **Item #:** AI-2026-1878 | **Agenda Date:** 7/27/2026

Memo: Update on Bus Operations and Maintenance Labor Negotiations (June 26, 2026)

CapMetro | **MEMORANDUM**

To: CapMetro Board of Directors

From: Andy Skabowski, Executive Vice President, Chief Operating Officer

Date: June 26, 2026

Subject: Update on Bus Operations and Maintenance Labor Negotiations

In response to inquiries from board members, I am providing an update on ongoing collective bargaining agreement (CBA) discussions between Keolis, CapMetro's bus operations and maintenance service provider, and Amalgamated Transit Union Local 1091.

As previously shared, Keolis submitted a "best and final offer" to ATU leadership at the union's request. ATU leadership has scheduled a vote on the offer for June 27, 2026. If the offer is rejected, the vote will also authorize union leadership to initiate a work stoppage at its discretion. Keolis has advised that it does not expect any work stoppage to occur immediately after the vote.

Please find attached a memorandum from Keolis providing a comparison of CapMetro and other Texas transit agencies, including wage levels and cost-of-living indexes. This information offers additional context for the "best and final" offer and how it compares with peer agencies and cities across Texas.

Board Members who need additional information about this process or its potential outcomes may contact Ed.Easton@capmetro.org.

Attachment:
- June 26, 2026 letter from Keolis to CapMetro Board, "RE: Compensation & Benefits Benchmarking Summary"

Memorandum

To: Michele Stiehler, Vice President of Bus Operations & Maintenance
From: Duane Eskierka, General Manager / Vice President
Date: June 26, 2026
Subject: Compensation & Benefits Benchmarking Summary

A review of compensation and benefits benchmarking conducted by Keolis Finance and CapMetro Total Rewards indicates strong alignment regarding Keolis' competitive position within the Texas public transit industry. Keolis offers a highly competitive total rewards package supported by industry-leading healthcare benefits, strong retirement contributions, and wage rates that remain among the highest in the state.

Healthcare Benefits Differentiate from Peers

- 95% employee-only and 91% family healthcare premium contributions—the highest among Texas transit peers reviewed.
- Family coverage is a significant differentiator.

Key Message: Keolis demonstrates a strong commitment to the health and well-being of employees and their families.

Retirement Benefits Strengthen the Total Rewards Package

- Minimum employer retirement contribution of 5.5% of salary.
- Available benchmarking indicates contributions are among the strongest in the comparison group.

Key Message: Keolis invests meaningfully in employees' long-term financial security.

Wage Levels Remain Highly Competitive

- Third-highest top operator wage among major Texas transit agencies.
- Starting operator wage of $24.04/hour ranks near the top of the peer group.
- Five-year progression to top wage aligns with industry norms.

Key Message: Keolis delivers a competitive wage structure that recognizes the critical role operators play in providing safe and reliable transit service.

Commitment to Employee Wage Growth

- Programmed wage increases of 3%, 4%, and 5% demonstrate a sustained commitment to employee compensation growth while remaining competitive with major Texas transit systems.

Key Message: Keolis' planned increases are within prevailing market ranges and provide a clear long-term commitment to employee wage growth.

Cost of Living Trends Further Support Competitive Compensation

- Austin's Cost of Living Plus Rent Index has declined significantly since 2023 and is now slightly below Dallas.
- Regional affordability trends indicate decreasing cost pressures for employees in the Austin market.
- National CPI and PPI trends show inflation has moderated substantially from peak 2021–2022 levels.

Key Message: Improving affordability in Austin, combined with moderating inflation, further supports the competitiveness of Keolis' compensation proposal.

Keolis’ total rewards package remains a significant competitive advantage within the Texas transit industry, supporting workforce attraction and retention through competitive compensation, strong benefits, solidified by favorable cost-of-living trends.

State of Texas Wage / Benefits / Raise Analysis for Fixed Route Transit Employees for 2026 *(as of June 2026)*

Rank	System	2025 Operator starting wage	2025 Operator top wage	2026 Est merit	2026 Est Operator Rate	Years to reach top wage	Company/Operator contribution % to healthcare premium (single / family)	Company contributions to retirement (as % of salary)	Programmed Annual Increases
1	Dallas (DART)	$24.48	$32.64	3%	$33.62	5	76% / 76%		3%
2	Fort Worth (Trinity Metro)	$22.50	$30.92	5%	$32.47	4	90% / 75%	4%+	N/A
3	Austin (CapMetro)	$24.04	$30.60	3%	$31.52	5	95% / 91%	5.5%+	3%, 4%, 5%
4	Houston (METRO)	N/A	$29.14	4%	$30.31		100% / 45%*		4%
5	San Antonio (VIA)	$23.24	$28.00	3.5%	$28.98	5	87% / 76%		3.5%

State of Texas Cost of Living Plus Rent Index Analysis (2019 – 2025)

Cost of Living Plus Rent Index Value	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Austin	60.3	60.3	57.0	62.4	69.9	66.5	56.6
Houston	53.7	54.4	54.5	54.3	57.8	55.8	51.4
Dallas	55.7	58.0	56.7	59.6	65.5	62.2	57.1
San Antonio	48.0	51.8	51.8	51.2	55.1	55.1	48.1
Cost of Living Plus Rent Index Increase	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Austin		0.0%	-5.5%	9.5%	12.0%	-4.9%	-14.9%
Houston		1.3%	0.2%	-0.4%	6.4%	-3.5%	-7.9%
Dallas		4.1%	-2.2%	5.1%	9.9%	-5.0%	-8.2%
San Antonio		7.9%	0.0%	-1.2%	7.6%	0.0%	-12.7%
Source: Numbeo Cost of Living Plus Rent Index by City							
Base Expense = $4,000	***$ 4,000***	***$ 4,000***	***$ 3,781***	***$ 4,139***	***$ 4,636***	***$ 4,411***	***$ 3,754***

PPI - National	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Value	199.8	194.4	227.351	264.481	255.730	254.559	260.196
Increase		-2.7%	17.0%	16.3%	-3.3%	-0.5%	2.2%

Source: BLS **(PPI CPI 2016-2025.xlsx)**

CPI - All Urban Consumers - National	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Value	765.8	775.3	811.705	876.664	912.751	939.672	964.398
Increase		1.2%	4.7%	8.0%	4.1%	2.9%	2.6%

Source: BLS **(PPI CPI 2016-2025.xlsx)**

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors **Item #:** AI-2026-1868 **Agenda Date:** 7/27/2026

Memo: Fare Transformation Update: Proposed 2027 Fare Increase and Changes (July 1, 2026)

CapMetro | **MEMORANDUM**

TO: CapMetro Board of Directors

FROM: Kevin Conlan, EVP, Chief Financial Officer
Samantha Baez, EVP, Experience & Engagement
Tanya Acevedo, SVP, Chief Information Officer

DATE: July 1, 2026

SUBJECT: Fare Transformation Update: Proposed 2027 Fare Increase and Changes

Fares Background and What Has Been Completed to Date

Over the last two years, the CapMetro team has executed a comprehensive strategy to transition the fare framework from complexity to clarity. Previously, a fragmented network of 58 separate fare products created significant confusion for customers and placed a high administrative and operational burden on agency staff.

By modernizing systems, the team has successfully achieved the following critical milestones:

- **Open Payments:** Following a highly successful soft launch window, CapMetro officially launched Open Payments (Tap to Pay) in early 2026, allowing customers to simply tap credit cards, debit cards, contactless bank cards, or mobile wallets such as Apple Pay or Google Pay directly on bus validators.
- **Fare Media (Pass) Simplification:** Streamlining pass types from 58 to 24 products, which included retiring the day pass, 7-day and 31-day passes in favor of a more unified technology platform reduced confusion among customers and enhanced the ability of staff to support customer inquiries.
- **Daily Fare Capping Validation:** Daily fare capping, or the daily maximum a customer will spend, is working seamlessly (limiting local daily spend to $2.50 and commuter to $7.00), providing a full value replacement of the day pass, hence its retirement.
- **Fleet Readiness:** The team has successfully upgraded the infrastructure, ensuring 99 percent of all in-service transit vehicles seamlessly accept digital open payments.
- **System Improvements:** The team has centralized the fare backend technology onto the Umo platform for fixed route services, expanded the retail network partnership with H-E-B, and is moving forward with a full physical farebox replacement scheduled for Summer 2026. With multiple interconnected systems being impacted by the physical work needed for the farebox replacement scheduled for Summer 2026, we are taking the opportunity to improve the operators' experience by upgrading the on-board technical systems. Collectively, these improvements, alongside the rollout of the new Code of Conduct and code-related procedures, have improved operators' ability and fluidity in collecting fares.

2027 Proposed Fare Increases

Staff met with CapMetro Board Members during briefings in June 2026 to present data outlining CapMetro's long-term financial constraints and highlighted that the last system-wide fare adjustment occurred in January 2015. Over the past 11 years, a slowing sales tax revenue environment, paired with escalating operational expenses and slight dips in passenger revenue and ridership, has significantly narrowed cost-recovery. The briefings included initial benchmarking metrics from the American Bus Benchmarking Group (ABBG). The data showed that CapMetro's current single-ride fares of $1.25 are nearly 33 percent lower than the industry peer average (~$1.85 for Local services).

Initial options presented to Board Members included:

1. Option A: A moderate two-step, gradual fare increase taking place in January 2027 and January 2029 ($1.50 and then $2 respectively for the cost of a local single ride).
2. Option B: A larger initial fare increase in January 2027 to achieve the full Option A value in one step, with a future, smaller increase in January 2029 ($2 and then an additional future increase, respectively for the cost of a local single ride).

A Title VI fare equity analysis was conducted for both options. The study yielded no findings in either scenario of Disparate Impact or Disproportionate burden for customers using fixed route services.

Based on valuable feedback gathered during Board Member briefings—specifically prioritizing the mitigation of steep financial impacts on vulnerable populations—the team has modified the approach slightly since the June briefings. A modified Option A (Two-Step Fare Adjustment) will be presented to the public in July and August for community feedback, before being brought to the Board of Directors in September 2026 for consideration as part of the annual budget process. If approved by the CapMetro Board, the new fares would be implemented in January 2027 alongside the January service change.

Key structural components of this proposal include:

- **A Gradual Two-Step Tier:** Spreading the adjustment across January 2027 and January 2029 to give transit riders time to adapt.
- **Preserving Multipliers:** No changes will be made to standard monthly cap multipliers across transit modes. This means that even though the base fare is increasing, the number of trips required to accomplish a monthly fare cap remains the same, ensuring that frequent riders do not face a larger impact under the new fare pricing structure.
- **Modified Access Plan:** Under Federal Transit Administration (FTA) regulations for ADA paratransit services, transit agencies are permitted to set paratransit fares at a maximum of twice the price of a standard, non-discounted fixed-route fare for a comparable trip. It was determined that moving to a 2x fare increase would be too large of an increase to implement immediately, so a modified approach with a slower, gradual increase is proposed. Instead of a 2x multiplier, staff is proposing a gradual adjustment for Access ($2.25 in 2027 and $3.25 in 2029), mapping out to a 1.5x and 1.63x local multiplier respectively.

Below is the definitive table outlining the proposed adjustments:

Local & Pickup Standard fares

Fare Type	Today	Proposed 2027	Proposed 2029
Local Single Ride	$1.25	$1.50	$2.00
Local Per Service Day	$2.50	$3.00	$4.00
Local Per Calendar Month	$41.25	$49.50	$66.00

Commuter Standard fares

Fare Type	Today	Proposed 2027	Proposed 2029
Commuter Single Ride	$3.50	$4.00	$5.00
Commuter Per Service Day	$7.00	$8.00	$10.00
Commuter Per Calendar Month	$96.25	$110.00	$137.50

Access fares

Fare Type	Today	Proposed 2027	Proposed 2029
Access Single Ride	$1.75	$2.25	$3.25
Access Monthly Pass	$46.50	$60.00	$87.00

Local & Pickup Reduced fares

Fare Type	Today	Proposed 2027	Proposed 2029
Local Reduced Single Ride	$0.60	$0.75	$1.00
Local Reduced Per Service Day	$1.25	$1.50 /	$2.00 /
Local Reduced Per Calendar Month	$20.60	$24.75	$33.00

Commuter Reduced fares

Fare Type	Today	Proposed 2027	Proposed 2029
Commuter Reduced Single Ride	$1.75	$2.00	$2.50
Commuter Reduced Per Service Day	$3.50	$4.00	$5.00
Commuter Reduced Per Calendar Month	$48.10	$55.00	$68.75

Ticket Vending Machine Retirement

CapMetro staff is proposing to retire seven ticket vending machines (TVM) at bus transfer locations. CapMetro has recently implemented new fare collection methods, such as reloadable fare cards and app-based payment, which have changed the way transit customers pay their fare. These new methods of fare payment provide customers with the benefit of fare-capping, which automatically transitions fare products to the most economical payment method based on the value spent on fares. The products sold at TVMs do not include the fare-capping benefit, and utilization is minimal, while the cost of maintaining and servicing TVMs remains substantial.

While the retiring of ticket vending machines is not a “fare” or “major service change” as defined by FTA Title VI Circular 4702.1B or CapMetro policy, CapMetro completed an equity analysis to ensure that its actions are equitable and do not adversely affect protected communities.

The analysis found that the proposed changes would not result in a Disparate Impact on minority customers or Disproportionate Burden on low-income customers. Given that there were no findings of Disparate Impact or Disproportionate Burden, no mitigations are needed to proceed with the retirement of TVMs at selected locations.

Reduced Fare Program Expansion

CapMetro offers several discounted and reduced fare programs under the current fare structure. CapMetro’s current reduced fare (Reduced Fare ID Program) is available to seniors, active and reserve military ID holders not in uniform, and riders with disabilities or on Medicare. The Equifare Program, as it exists today, provides a 20 percent discount for customers with a household income below 200 percent of the federal poverty line who enroll. Kids under 18 and emergency or military personnel in uniform ride for free.

CapMetro staff is considering expanding the eligibility for RFID to include veterans and individuals with a household income below 150 percent of the Health and Human Services Poverty Guideline.

In tandem with this expansion, the Equifare Program will be merged into the new eligibility for low-income customers. As part of this fare change, all Equifare Program customers will be automatically enrolled in the RFID Program and will receive a 50 percent fare discount, an increase from the current 20 percent.

Key Talking Points for Board Members and Staff

To help communicate these changes and address the reality that "nobody likes to pay more," the following talking points have been developed to express why this increase is not only necessary, but why it would be irresponsible for CapMetro staff to forgo a fare increase any longer.

- **The Cost of Inaction (The CPI Multiplier):** Had CapMetro simply matched standard Consumer Price Index (CPI) inflation since 2015, the $1.25 Local Base fare would already be over **$1.65** today, and the $3.50 Commuter fare would sit past **$4.65**. Adjusting fares keeps the agency rooted in current economic realities rather than trailing a decade behind.
    - **An 11-Year Freeze:** CapMetro has not adjusted its Local, Commuter or Access fares since January 2015. Very few regular household expenses or services have gone more than a decade without adjusting for basic economic realities.
- **Still Leading in Affordability (ABBG Data):** Even after the initial 2027 adjustment, CapMetro's fares will remain among the most competitive in the country among its peer agencies. ABBG data indicates that the current industry average single-ride fare sits around $1.85, with peer agencies peaking at $2.75. CapMetro's $1.50 rate in 2027 positions us safely within the highly affordable, middle-tier cost bracket nationwide.
- **Fiduciary Responsibility and Financial Sustainability:** As stewards of public funds, CapMetro has a fiduciary responsibility to protect the financial health of the regional transit system. Amid shifting sales tax returns and escalating operating costs, this adjustment ensures the long-term viability and baseline safety of the agency.

- **Investing in Frontline Operators:** A significant portion of rising operational cost is due to a direct investment in the workforce. To successfully attract and retain skilled operators, compete in a tight labor market, and keep frontline workers whole against the cost of living, CapMetro's service partner, Keolis, has implemented necessary wage increases for drivers and mechanics, and that practice will continue.
- **A Track Record of Continuous Improvements:** Fares aren't increasing to fund a stagnant system. On the contrary, in the last year alone, CapMetro has delivered friction-free Tap to Pay options, implemented equitable automatic daily fare capping, modernized its digital app integrations, developed meaningful discount programs for customers, and expanded regional university and employer discount models to optimize the rider experience.
- **The Reality of Rising Operational Costs (2015 vs. 2026):** The cost of keeping Central Texas moving has spiked dramatically over the past 11 years. Consider how drastically operational inputs have shifted since CapMetro's last fare change:
    - **Diesel Fuel:** In January 2015, U.S. diesel fuel prices averaged roughly $3.00 to $3.20 per gallon. By mid-2026, U.S. Bureau of Labor Statistics (BLS) data shows diesel benchmarking above **$5.06 to $5.20 per gallon**—a significant jump in baseline fleet fueling costs.
    - **Public Transit Vehicles:** A typical new 40-foot diesel transit bus cost $400 to $450 thousand in 2015, and now a new hybrid transit bus is estimated to cost more than $1.2 million, which is more than 200% today than in 2015.
    - **Healthcare and Benefits:** To attract and retain a skilled workforce, competitive salaries are provided, with fringe benefits estimated at approximately 30 percent of base pay. Annual pay adjustments have been in line with the market and local partner agencies.
    - **US Consumer Prices:** Over the past decade, U.S. consumer prices have risen at an average annual rate of approximately 3–3.5 percent. However, inflation in the Austin metropolitan area has generally exceeded the national average, particularly in the post-pandemic period, driven by strong population growth, housing demand, and local economic expansion. For perspective on general inflation, a standard gallon of conventional milk cost an average of $3.30–$3.42 in 2015. According to the USDA, the national simple average for a gallon of conventional whole milk has climbed to **$3.93** (and sits as high as **$5.27** in major metro areas).

Next Steps

CapMetro staff will initiate the formal community engagement plan July 13 and throughout August to gather public input, host open public meetings, and return to the Board for a **final vote in September ahead of the targeted January 2027 implementation phase**.

2910 East 5th Street
Austin, TX 78702

Capital Metropolitan Transportation Authority

Board of Directors	**Item #:** AI-2026-1877	**Agenda Date:** 7/27/2026

Memo: Update on Bus Operations and Maintenance Labor Negotiations (July 14, 2026)

CapMetro | **MEMORANDUM**

To: CapMetro Board of Directors

From: Andy Skabowski, Executive Vice President, Chief Operating Officer

Date: July 14, 2026

Subject: Update on Bus Operations and Maintenance Labor Negotiations

The purpose of this memo is to update the CapMetro Board on ongoing negotiations between CapMetro's contracted service partner, Keolis, and the Amalgamated Transit Union 1091 regarding a collective bargaining agreement for bus operations and maintenance. Keolis provided a Best and Final Offer to ATU leadership in June, and Union membership voted "no" on the offer, and authorized a future work stoppage. Keolis and ATU have since reconvened regarding negotiations, with the hope of resolving this issue and entering into an agreement, without a work stoppage.

Keolis provided a "Last/Best and Final Offer" to the ATU leadership on July 9th, as outlined in the attached letter (July 14, 2026 Letter). Keolis previously provided market information, as shared with the CapMetro Board by separate memo (see attachments - June 26, 2026 Memo and June 18, 2026 Memo), and Keolis' market assessment determined the offered wage rates are appropriate to support continued hiring and retention.

The attached information from Keolis also provides clarity regarding recent media coverage, including a request for further training for operators, a topic that is outside of the parameters of the collective bargaining agreement. Further, Keolis separately made clear to CapMetro that at no point did their proposal exclude wage rate increases for bus operations and maintenance employees. Keolis is working in good faith with the union to ensure proposed wage increases and bonus pay are within the financial parameters provided by CapMetro, which may require cost savings from other elements of the agreement, such as attendance policy. To alleviate further confusion, Keolis is working to ensure all team members know the current offer.

Board Members who need additional information about this process or its potential outcomes may contact Ed.Easton@capmetro.org.

Attachments:

- July 14, 2026: Letter from Keolis to CapMetro
- June 26, 2026: Memo to the CapMetro Board - Update on Bus Operations and Maintenance Labor Negotiations
- June 18, 2026: Memo to the CapMetro Board - Update on Bus Operations and Maintenance Labor Negotiations

Memorandum

To: Michele Stiehler, Vice President of Bus Operations & Maintenance
From: Duane Eskierka, General Manager / Vice President DE
Date: July 14, 2026
Subject: Negotiations Update

Keolis has submitted its "Last/Best and Final Offer" to the Amalgamated Transit Union (ATU) Local 1091 on July 9th. Although there remain some minor language alignment efforts still to complete, the final economic proposal has been submitted.

The primary challenge with these negotiations has centered on the ATU's unwillingness to modify the current Collective Bargaining Agreement (CBA) to find cost savings and using those savings to further increase wages. Regardless of these challenges, Keolis has found a way to exceed ATU's most recent wage increase request of 14%, with a 14.8% increase that also provides the employees with "up front compensation".

Last/Best and Final Offer Details:

1. Ratification Bonus of $1,000 dollars. This bonus is paid in two installments. Half is paid upon ratification and the second portion is paid in 90-days.
    a. This bonus is funded by reducing the allowed attendance occurrences from 25 to 20.
    b. This $1,000 bonus equates to a 1.6% increase in annual wage. This improves the 3% offer to 4.6% in year one and raises the overall package to 13.6%.
2. Additional $1,000 Bonus Opportunity.
    a. We have also offered the ATU an additional $1,000 bonus that is funded by reducing year 3 from 5% to 4.5%
    b. This bonus elevates Keolis' offering from 3% year one to 6.3%. Should the union opt to accept this additional bonus, Keolis total compensation package will reach 14.8% (exceeding the ATU's ask of 14%). This also ensures no employee loses compensation in year three. They just receive the funds in year one, which was an important request from the ATU.

We believe that the ATU is giving these options serious consideration and seem amenable to this concept.

We would also like to take this opportunity to address the KUT news article titled "With CapMetro Strike on the Table, workers say better training would improve the service" which was published on July 13, 2026. The center point of this article is related to Operator Training.

Although training curriculum and compensation for maintenance personnel are negotiated items, Operator Training is not subject to collective bargaining. Operator Training is one of the most critical components of delivering safe, reliable public transportation. The Company and the ATU maintain several collaborative forums to regularly evaluate and enhance the effectiveness of the Operator

Training program. Working together, we have implemented a number of meaningful improvements to the program and remain committed to continued collaboration. We look forward to building on these productive efforts with the ATU to further strengthen Operator Training and support our employees' success.

Again, we believe that the negotiations are entering a positive phase given the unions review and consideration of our of offer and we look forward to finishing this effort soon.

CapMetro | **MEMORANDUM**

To: CapMetro Board of Directors

From: Andy Skabowski, Executive Vice President, Chief Operating Officer

Date: June 26, 2026

Subject: Update on Bus Operations and Maintenance Labor Negotiations

In response to inquiries from board members, I am providing an update on ongoing collective bargaining agreement (CBA) discussions between Keolis, CapMetro's bus operations and maintenance service provider, and Amalgamated Transit Union Local 1091.

As previously shared, Keolis submitted a "best and final offer" to ATU leadership at the union's request. ATU leadership has scheduled a vote on the offer for June 27, 2026. If the offer is rejected, the vote will also authorize union leadership to initiate a work stoppage at its discretion. Keolis has advised that it does not expect any work stoppage to occur immediately after the vote.

Please find attached a memorandum from Keolis providing a comparison of CapMetro and other Texas transit agencies, including wage levels and cost-of-living indexes. This information offers additional context for the "best and final" offer and how it compares with peer agencies and cities across Texas.

Board Members who need additional information about this process or its potential outcomes may contact Ed.Easton@capmetro.org.

Attachment:

- June 26, 2026 letter from Keolis to CapMetro Board, "RE: Compensation & Benefits Benchmarking Summary"

KEOLIS NORTH AMERICA

Memorandum

To: Michele Stiehler, Vice President of Bus Operations & Maintenance
From: Duane Eskierka, General Manager / Vice President
Date: June 26, 2026
Subject: Compensation & Benefits Benchmarking Summary

A review of compensation and benefits benchmarking conducted by Keolis Finance and CapMetro Total Rewards indicates strong alignment regarding Keolis' competitive position within the Texas public transit industry. Keolis offers a highly competitive total rewards package supported by industry-leading healthcare benefits, strong retirement contributions, and wage rates that remain among the highest in the state.

Healthcare Benefits Differentiate from Peers

- 95% employee-only and 91% family healthcare premium contributions—the highest among Texas transit peers reviewed.
- Family coverage is a significant differentiator.

Key Message: Keolis demonstrates a strong commitment to the health and well-being of employees and their families.

Retirement Benefits Strengthen the Total Rewards Package

- Minimum employer retirement contribution of 5.5% of salary.
- Available benchmarking indicates contributions are among the strongest in the comparison group.

Key Message: Keolis invests meaningfully in employees' long-term financial security.

Wage Levels Remain Highly Competitive

- Third-highest top operator wage among major Texas transit agencies.
- Starting operator wage of $24.04/hour ranks near the top of the peer group.
- Five-year progression to top wage aligns with industry norms.

Key Message: Keolis delivers a competitive wage structure that recognizes the critical role operators play in providing safe and reliable transit service.

Commitment to Employee Wage Growth

- Programmed wage increases of 3%, 4%, and 5% demonstrate a sustained commitment to employee compensation growth while remaining competitive with major Texas transit systems.

Key Message: Keolis' planned increases are within prevailing market ranges and provide a clear long-term commitment to employee wage growth.

Cost of Living Trends Further Support Competitive Compensation

• Austin's Cost of Living Plus Rent Index has declined significantly since 2023 and is now slightly below Dallas.

• Regional affordability trends indicate decreasing cost pressures for employees in the Austin market.

• National CPI and PPI trends show inflation has moderated substantially from peak 2021–2022 levels.

Key Message: Improving affordability in Austin, combined with moderating inflation, further supports the competitiveness of Keolis' compensation proposal.

Keolis’ total rewards package remains a significant competitive advantage within the Texas transit industry, supporting workforce attraction and retention through competitive compensation, strong benefits, solidified by favorable cost-of-living trends.

State of Texas Wage / Benefits / Raise Analysis for Fixed Route Transit Employees for 2026 *(as of June 2026)*

Rank	System	2025 Operator starting wage	2025 Operator top wage	2026 Est merit	2026 Est Operator Rate	Years to reach top wage	Company/Operator contribution % to healthcare premium (single / family)	Company contributions to retirement (as % of salary)	Programmed Annual Increases
1	Dallas (DART)	$24.48	$32.64	3%	$33.62	5	76% / 76%		3%
2	Fort Worth (Trinity Metro)	$22.50	$30.92	5%	$32.47	4	90% / 75%	4%+	N/A
3	Austin (CapMetro)	$24.04	$30.60	3%	$31.52	5	95% / 91%	5.5%+	3%, 4%, 5%
4	Houston (METRO)	N/A	$29.14	4%	$30.31		100% / 45%*		4%
5	San Antonio (VIA)	$23.24	$28.00	3.5%	$28.98	5	87% / 76%		3.5%

State of Texas Cost of Living Plus Rent Index Analysis (2019 – 2025)

Cost of Living Plus Rent Index Value	2019	2020	2021	2022	2023	2024	2025
Austin	60.3	60.3	57.0	62.4	69.9	66.5	56.6
Houston	53.7	54.4	54.5	54.3	57.8	55.8	51.4
Dallas	55.7	58.0	56.7	59.6	65.5	62.2	57.1
San Antonio	48.0	51.8	51.8	51.2	55.1	55.1	48.1
Cost of Living Plus Rent Index Increase	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Austin		0.0%	-5.5%	9.5%	12.0%	-4.9%	-14.9%
Houston		1.3%	0.2%	-0.4%	6.4%	-3.5%	-7.9%
Dallas		4.1%	-2.2%	5.1%	9.9%	-5.0%	-8.2%
San Antonio		7.9%	0.0%	-1.2%	7.6%	0.0%	-12.7%
Source: Numbeo Cost of Living Plus Rent Index by City							
Base Expense = $4,000	***$ 4,000***	***$ 4,000***	***$ 3,781***	***$ 4,139***	***$ 4,636***	***$ 4,411***	***$ 3,754***

PPI - National	2019	2020	2021	2022	2023	2024	2025
Value	199.8	194.4	227.351	264.481	255.730	254.559	260.196
Increase		-2.7%	17.0%	16.3%	-3.3%	-0.5%	2.2%

Source: BLS **(PPI CPI 2016-2025.xlsx)**

CPI - All Urban Consumers - National	2019	2020	2021	2022	2023	2024	2025
Value	765.8	775.3	811.705	876.664	912.751	939.672	964.398
Increase		1.2%	4.7%	8.0%	4.1%	2.9%	2.6%

Source: BLS **(PPI CPI 2016-2025.xlsx)**

CapMetro | **MEMORANDUM**

To: CapMetro Board of Directors

From: Andy Skabowski, Executive Vice President, Chief Operating Officer

Date: June 18, 2026

Subject: Update on Bus Operations and Maintenance Labor Negotiations

The purpose of this memo is to update the CapMetro Board on ongoing discussions between CapMetro bus operations and maintenance service provider, Keolis, and the Amalgamated Transit Union 1091, concerning a collective bargaining agreement (CBA).

As noted in the attached letter from Keolis, Keolis provided a "best and final offer" to ATU leadership for union consideration, at ATU's request. The terms of the offer are included in the attachment. Union leadership has hosted an informational session for members and intends to host a vote on the offer on June 27, 2026. CapMetro is aware that the vote on the offer will also allow the union to implement a work stoppage should the outcome of the vote on the offer be a "no". Should the outcome of the vote be a "no", a work stoppage would happen at the discretion of union leadership, not necessarily immediately after the vote is taken.

CapMetro has seen the best and final offer provided by Keolis, conducted extensive market and peer agency wage comparison (including the existing, 2026 CBA between CapMetro Demand Response service provider, MTM, and ATU 1091), reviewed the ability to hire and retain frontline team members, reviewed wage progression over time, and thoughtfully reviewed the financial parameters of CapMetro's operating budget and sales tax revenue. CapMetro cannot extend additional financial support to this process without reducing transit service provided by CapMetro to the community.

CapMetro's role in this process is to establish the financial parameters within which Keolis can negotiate. CapMetro is not engaged in specific terms of the offer(s) Keolis, or any CapMetro service provider, makes throughout the negotiation process. CapMetro can also respond to non-financial issues raised as part of the process, as the entity responsible for service schedules, safety and security of the system, etc.

CapMetro cannot deliver our mission without the hard work from frontline operations and maintenance personnel, and values their commitment to transit service. Our priority throughout this process is ensuring we are respectfully engaging as appropriate and reiterating our appreciation for these members of the broad CapMetro team.

Should CapMetro Board Members require additional information to support their understanding of this process and potential outcomes, please contact Ed.Easton@capmetro.org.

Attachment:

- June 18, 2026 Letter to CapMetro from Keolis, "RE: Labor Update"

June 18, 2026

Ms. Michele Stiehler
Vice President, Bus & Maintenance Operations
Capital Metro
2910 E 5th Street
Austin, TX 78701

RE: Labor Update

Dear Michele:
Keolis is providing you with an update on the status of the negotiations with Amalgamated Transit Union (ATU) 1091, who represent our service delivery employees. It is important to note that Keolis has and will continue to bargain in good faith.

At the request of the ATU, Keolis was asked to provide our best and final offer (BAFO) on May 28, 2026. Some of the key elements of the BAFO include:

1. **Wage Increases**: Wage increases totaling 12% over three years for operators, maintenance, and supervisory/admin classifications. Scheduled annual increases of 3% (2026), 4% (2027), and 5% (2028) respectively.
2. **Retroactive Wages**: effective January 1, 2026, following the expiration of the current collective bargaining agreement on December 31, 2025.
3. **Training and Development**: Enhanced training and development programs to improve mechanic competencies.
4. **Increased Allowances**: for tools and safety equipment.

Keolis did present the ATU with additional terms for consideration including wage progression for parts and service island employees and 401(k) enhancements. However, the ATU requested that we include all economically related terms solely in wages.

The ratification vote is scheduled for June 27th, 2026.

Sincerely,

Duane Eskierka

Duane Eskierka
General Manager