



**Agenda - Final**  
**Capital Metropolitan**  
**Transportation Authority**  
**Finance, Audit and Administration**  
**Committee**

2910 East 5th Street  
Austin, TX 78702

---

**Wednesday, May 7, 2025**

**10:00 AM**

**Rosa Parks Boardroom**

---

This meeting will be livestreamed at [capmetrotx.legistar.com](http://capmetrotx.legistar.com)

**I. Call to Order**

**II. Public Comment**

**III. Action Items**

1. Approval of minutes from the April 14, 2025 Finance, Audit and Administration Committee 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 for the reimbursement of CapMetro expenses up to \$10,000,000, for a term of five years, for the implementation of the U.S. Environmental Protection Agency Climate Pollution Reduction Grant received by the City of Austin, as part of the regional approach to transportation demand management.

**IV. Presentations**

1. FY2024 Annual External Audit Results
2. FY2025 Financial Report March 2025
3. FY2026 Proposed Budget Calendar
4. FY2025 Internal Audit Plan Status - May 2025
5. Internal Audit UT Intern Projects: Parts Controls (Cycle Counts); Police Department Record Keeping and Reporting Requirements; and MTM Payroll Controls
6. Executive Finance, Audit and Administration Update - May 2025  
Update on key performance indicators, financial performance, personnel changes, communications and public outreach.

Memo: Q2 Fiscal Year 2025 Performance Update (May 1, 2025)

**V. Items for Future Discussion**

**VI. 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](mailto:ed.easton@capmetro.org) if you need more information.*

*Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle 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.*



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee

**Item #:** AI-2025-1476

**Agenda Date:** 5/7/2025

---

Approval of minutes from the April 14, 2025 Finance, Audit and Administration Committee meeting.



**Minutes**  
**Capital Metropolitan**  
**Transportation Authority**  
**Finance, Audit and Administration**  
**Committee**

2910 East 5th Street  
Austin, TX 78702

---

**Monday, April 14, 2025**

**11:00 AM**

**Rosa Parks Boardroom**

---

**I. Call to Order**

11:00 a.m. Meeting Called to Order

**Present** Becki Ross, Dianne Bangle, Matt Harriss, and Zo Qadri

**II. Public Comment**

Zenobia Joseph provided public comment after the Executive FAA Monthly Update.

**III. Action Items**

1. Selection of a Finance, Audit and Administration Committee Vice Chair for the remainder of 2025.

Board Member Dianne Bangle was chosen by acclamation as the Committee's Vice Chair.

2. Approval of minutes from the March 12, 2025 Finance, Audit and Administration Committee meeting.

A motion was made by Bangle, seconded by Ross, that this Minutes be adopted. The motion carried by the following vote:

**Aye:** Ross, Bangle, Harriss, and Qadri

3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract modification with UNUM for life, accidental death and dismemberment insurance, disability benefits, FMLA administration, and other voluntary benefits to employees, to increase the contract by \$960,313 and extend the contract through December 31, 2025. The new total not to exceed contract amount is \$4,313,195.

A motion was made by Qadri, seconded by Bangle, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 4/21/2025. The motion carried by the following vote:

**Aye:** Ross, Bangle, Harriss, and Qadri

**IV. Presentations**

1. FY2025 Internal Audit Plan Status - April 2025
2. Executive Finance, Audit and Administration Update - April 2025  
*Update on Business Optimization, agency budget and financials, recent activities, personnel changes, communications and public outreach.*

**V. Items for Future Discussion**

**VI. Adjournment**

11:16 a.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](mailto:ed.easton@capmetro.org) if you need more information.*

*Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle 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.*



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1452

**Agenda Date:** 5/7/2025

**SUBJECT:**

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an interlocal agreement with the City of Austin for the reimbursement of CapMetro expenses up to \$10,000,000, for a term of five years, for the implementation of the U.S. Environmental Protection Agency Climate Pollution Reduction Grant received by the City of Austin, as part of the regional approach to transportation demand management.

**FISCAL IMPACT:**

This action reimburses CapMetro for expenses incurred.

**STRATEGIC PLAN:**

**Strategic Goal Alignment:**

- 1. Customer       2. Community
- 3. Workforce       4. Organizational Effectiveness

**Strategic Objectives:**

- 1.1 Safe & Reliable Service       1.2 High Quality Customer Experience       1.3 Accessible System
- 2.1 Support Sustainable Regional Growth       2.2 Become a Carbon Neutral Agency
- 2.3 Responsive to Community and Customer Needs       2.4 Regional Leader in Transit Planning
- 3.1 Diversity of Staff       3.2 Employer of Choice       3.3 Expand Highly Skilled Workforce
- 4.1 Fiscally Responsible and Transparent       4.2 Culture of Safety       4.3 State of Good Repair

**EXPLANATION OF STRATEGIC ALIGNMENT:** The Climate Pollution Reduction Grant (CPRG) is a regional effort to apply transportation demand management (TDM) strategies during a time of significant construction disruption. CapMetro will utilize funds from the grant to reduce the impact of detours to our service frequency and improve regional commutes through services, amenities, and communication. These efforts will work in parallel with our partners' efforts to provide commuting alternatives to the region for the benefit of lowering emissions.

**BUSINESS CASE:** CapMetro will partner with other agencies in the region to provide transportation alternatives to driving and amenities to help support mode shift as an alternative during major construction and infrastructure projects. CapMetro will need to detour routes due to construction but needs to maintain

services during this time of disruption. CPRG funds will support service impacts to the bus network and target investments in overall system performance.

COMMITTEE RECOMMENDATION: The item is presented to and recommended for approval by the Finance, Audit and Administration Committee on May 7, 2025.

EXECUTIVE SUMMARY: The City of Austin was awarded a \$47,854,062 Climate Pollution Reduction Grant (CPRG) by the Environmental Protection Agency in June 2024. CPRG is a coordinated regional approach to transportation demand management as the region embarks on significant infrastructure investment and construction related impacts. A coalition of partners including the City of Austin, CapMetro, CAMPO, CARTS, CAPCOG, Movability, and TxDOT participate in implementing projects from the grant. Each partner has a role to play in implementing the effort. CapMetro will take the lead on service implementation of CapMetro services to account for construction disruption and be a key supporter of the implementation of infrastructure investments to CapMetro facilities and systems.

The CPRG projects that CapMetro will lead include investments to maintain service frequency in impacted construction areas and commuting improvements. CapMetro will support additional CPRG projects where they apply to CapMetro assets and systems. This ILA identifies the terms for delivery of CPRG projects by CapMetro and reimbursement by COA in the amount of Ten Million Dollars (\$10,000,000). The estimated substantial completion date for the project is December 31, 2030, as shown in the following breakdown:

2025: \$0 - Planning phase only  
2026: \$2,500,000.00  
2027: \$2,500,000.00  
2028: \$2,500,000.00  
2029: \$2,500,000.00

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Strategic Planning & Development

.body

**RESOLUTION  
OF THE  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS**

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**AI-2025-1452**

WHEREAS The City of Austin submitted an application for the 2024 Climate Pollution Reduction Grant (CPRG) administered by the U.S. Environmental Protection Agency (EPA)

WHEREAS the City of Austin accepted the award of a \$47,854,062 CPRG from the EPA in October 2024; and

WHEREAS, CapMetro is the metropolitan transportation authority in the City of Austin and neighboring municipalities; and

WHEREAS the Central Texas region will be impacted by significant infrastructure construction in the coming years, including the I-35 Capital Express project; and

WHEREAS, the City of Austin has partnered with CapMetro, Capital Area Metropolitan Planning Organization, Capital Area Rural Transit System, Capital Area Council of Governments, Movability, and the Texas Department of Transportation to implement projects using CPRG funds from 2025-2030; and

WHEREAS CapMetro and City of Austin entered into a Memorandum of Agreement (MOA) on June 24, 2024, and now desire to enter this new interlocal agreement specifically related to delivery and funding of the CPRG projects; and

WHEREAS, this interlocal agreement identifies the terms for delivery of CPRG projects by CapMetro and reimbursement by the City of Austin; and

WHEREAS, pursuant to the terms of this interlocal agreement, the City of Austin will reimburse CapMetro in the total amount of \$10,000,000.

NOW, THEREFORE, BE IT RESOLVED that the Capital Metropolitan Transportation Authority Board of Directors authorizes the President & CEO, or her designee, to finalize and execute an interlocal agreement with the City of Austin (City) for the reimbursement of CapMetro expenses up to \$10,000,000, for a term of five years, for the implementation of the U.S. Environmental Protection Agency Climate Pollution Reduction Grant received by the City, as part of the regional approach to transportation demand management.

---

**Secretary of the Board**  
**Becki Ross**

**Date:** \_\_\_\_\_

**CapMetro**

# Climate Pollution Reduction Grant (CPRG) Interlocal Agreement (ILA)

5/7/2025

# What is CPRG?

City of Austin (COA) awarded ~\$47.9M grant from Environmental Protection Agency (EPA) in 2024

Over \$20B of construction will disrupt commutes throughout the region

Prepare for upcoming disruption and develop alternative commute options to reduce Green House Gas (GHG) emissions

COA is the lead agency with CapMetro and other agencies as key implementers, such as:

- CARTS
- CAPCOG
- Movability
- TxDOT
- CAMPO



# CPRG Implementation

Grant duration is 5 years (2025-2030)

Implementation (2025-2030) is broken into 3 targeted measures

1. Improving Regional Transit Service
  - Improve or Maintain CapMetro service – CapMetro lead
2. Investing in Mobility Infrastructure
  - Mobility Hubs – CapMetro support
  - Bicycle Investments – CapMetro support
  - Parking Counters – CapMetro support
3. Transit Options & Outreach
  - Transportation Wallet – CapMetro support



## Financial Ask

Grant allocates \$10M towards CapMetro service from 2025-2030

ILA provides up to \$10M of reimbursement for CapMetro services

COA approved ILA at 4/24 council meeting

Seeking Board approval to negotiate and execute CPRG ILA with COA to reimburse CapMetro up to \$10M

# Next Steps

Planning on-going through 2025 – Implementation anticipated to begin in 2026

Implementation targeting investments that are temporary or will last beyond 2030

## Temporary Adjustments

- Temporary construction detours
- Temporary passes to encourage ridership

## Long-term Investments

- Amenities at or around Mobility Hubs
- Bikeshare Infrastructure
- Security Cameras capturing Parking Counts

**CapMetro**

Thank You!

8/15/2024

**INTERLOCAL COOPERATION AGREEMENT  
FOR  
CLIMATE POLLUTION REDUCTION GRANT IMPLEMENTATION  
BETWEEN  
THE CITY OF AUSTIN  
AND  
THE CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**

This Interlocal Cooperation Agreement (“Agreement”) is made by and between the City of Austin (“City”), a Texas home-rule city and municipal corporation, and the Capital Metropolitan Transportation Authority (“CapMetro”), a transportation authority and political subdivision for the State of Texas organized under Chapter 451 of the Texas Transportation Code (individually referred to as a “Party” and collectively referred to as the “Parties”), upon the premises and for the consideration stated herein.

WHEREAS, the United States Environmental Protection Agency (EPA) maintains the Climate Pollution Reduction Grants (CPRG) program which provides nearly \$5 billion in grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing greenhouse gas (GHG) emissions, and other harmful air pollution;

WHEREAS, the CPRG program is authorized under Section 60114 of the Inflation Reduction Act, this two-phase program provides \$350 million for noncompetitive planning grants, and approximately \$4.6 billion for competitive implementation grants;

WHEREAS, in 2024, the EPA awarded the City a \$47,854,062 CPRG implementation grant in response to its application titled, “*MOVING Central Texas towards lower GHG emissions;*”

WHEREAS, using the CPRG funds the City, along with its coalition partners, the Texas Department of Transportation, Capital Area Council of Governments, CapMetro, and Capital Area Rural Transportation System will coordinate a regional approach to transportation demand management to improve access and awareness of alternative travel options. Working together, the coalition will expand proven solutions to reduce carbon emissions including GHG emissions across five counties, improve air quality, and promote public transit over single-occupancy vehicles in anticipation of the construction of a multimodal transportation network, including a light rail system, focusing on three measures: (1) improving regional transit service; (2) investing in mobility infrastructure; and (3) travel options and outreach, sometimes collectively referred to as, “inspiring behavior change;”

WHEREAS, the Parties seek to enter into this Agreement to specify each Party’s obligations and expectations to achieve the goals and deliverables for the CPRG funds; and

WHEREAS, this Agreement constitutes an interlocal cooperation agreement as authorized pursuant to the provisions of Texas Government Code Chapter 791.

NOW, THEREFORE, BE IT RESOLVED; the Parties therefore hereby agree as follows:

**1) TERM.**

- (a) The initial term of this Agreement is five (5) years from the date of the last Party to sign (“Effective Date”), or when earlier terminated in accordance with the terms of this Agreement. Following this initial term, this Agreement may be renewed for an additional two (2) year term upon written approval by the City Manager and the CapMetro President and CEO, or designees.
- (b) This Agreement may be terminated by the written agreement of both Parties. If either Party is in default of its obligations under this Agreement and fails to remedy such default within sixty (60) days after receipt of written notice, this Agreement may be terminated at the option of the Party not in default upon expiration of the sixty (60) day period. Termination or cancellation of this Agreement will not affect the rights and obligations of the Parties accrued prior to termination.
- (c) It is the intent and understanding of the Parties that the obligations of each Party under this Agreement shall remain effective only so long as and provided that CPRG program funds are available. If for any fiscal year that any CPRG program funds are not available, this Agreement shall become void and the Parties’ obligations under this Agreement will be deemed void.

**2) SCOPE OF PROJECTS AND SERVICES.**

- (a) The scope of this Agreement is for the reimbursement to CapMetro for its costs to implement projects listed in attached and incorporated “Exhibit B,” to this Agreement (“Projects”), in support of the goals of the “U.S. Environmental Protection Agency Grant Agreement,” attached and incorporated as “Exhibit A” to this Agreement. The Projects will improve regional transit service and invest in mobility infrastructure to achieve the carbon emissions reductions goals for the region. The selection of Projects and the scope and cost of each project will have been determined jointly by the City and CapMetro before beginning of any Project. Funds under this Agreement will not be used for any on-going operating costs or maintenance.
- (b) The Projects will support the measures, improving regional transit service and investing in mobility infrastructure to achieve carbon emissions reductions, including GHG, for the region through alternative travel options such as transit.

- (c) Notwithstanding anything in this Agreement to the contrary, the identification of any Projects, and the scope and cost of each Project, will be determined jointly by the City and CapMetro. CapMetro and the City, upon written agreement by the City Manager and the CapMetro President and CEO, or their designees, may jointly amend “Exhibit B” to add or delete a Project or Projects, provided such changes are agreed upon by the EPA and do not cause the total amount to exceed the City’s financial obligation in this Agreement.
- (d) Funds issued under this Agreement will be solely for projects listed in “Exhibit B,” and related expenses, and purchasing controls determined in a commercially reasonable manner as required by 2 CFR 200.404.

### **3) REIMBURSEMENT.**

Before receiving reimbursement for any Project identified in “Exhibit B”, CapMetro will submit to the City an accounting of expenditures showing the amount spent for the identified Project. The required accounting and invoicing forms will be provided to CapMetro by the City prior to the beginning of any Project. For any improvements that are constructed within the City’s right-of-way, acceptance by the City must occur before purchasing will be made by CapMetro. For any improvements that are constructed within CapMetro property or improvements to CapMetro systems, acceptance by CapMetro must occur before purchasing will be made by the City. The total reimbursement amount will not exceed the dollar amount specified in this Agreement. Reimbursement requests should be submitted to the City on a monthly basis and within 15 days of the performance period end date.

### **4) OBLIGATIONS.**

- (a) City will reimburse CapMetro for the construction, development, or installation of Projects under this Agreement in an amount not to exceed TEN MILLION DOLLARS (\$10,000,000) as described in “Exhibit B.” If additional opportunities arise, the financial obligation of this Agreement may be amended per amendment terms.
- (b) As more specifically described in this Agreement, CapMetro will be responsible for implementing the Projects described in “Exhibit B,” and pursuant to the commitments memorialized in the “Memorandum of Agreement” attached and incorporated as “Exhibit C” to this Agreement. In doing so, CapMetro agrees it will abide by the terms and conditions more thoroughly described in the U.S. Environmental Protection Agency Grant Agreement, “Exhibit A,” specifically, the Build America, Buy America terms in any contracts for performance using CPRG funds, Davis-Bacon Related Act Terms and Conditions (when applicable), cybersecurity measures, climate resilience measures, equipment and devices guidelines, quality assurance measures, document retention, signage requirements, use of logos, public events, health and safety plan, foreign entity of concern restrictions, EPASS security measures, historical preservation measures, and

other federal requirements as described in “Exhibit A.”

- (c) CapMetro will retain accurate records of costs, activities, and accomplishments as related to Project implementation.
- (d) CapMetro will be responsible for the tasks, milestones, and outputs described in “Exhibit B.”

**5) PROJECT DESIGN, COORDINATION, AND PERMITTING**

Specifically described in “Exhibit B.”

**6) ASSET OWNERSHIP, OPERATIONS, & MAINTENANCE**

The parties will mutually agree upon asset ownership, responsibility for operation, and responsibility for maintenance of any Project assets prior to the beginning of any Project, and memorialized and incorporated by addendum to this Agreement.

**7) PERFORMANCE REPORTING.**

As a coalition member and recipient of CPRG funds, CapMetro is subject to the same federal reporting requirements as the City. As such, CapMetro and the City will determine and agree upon the reporting cadence for financial, programmatic, and environmental reporting but at a minimum quarterly. Reporting schedule will be determined and agreed upon prior to submitting the first reimbursement request. Reports will include::

- (a) financial and programmatic reports;
- (b) environmental results achieved; and
- (c) actions CapMetro has taken to correct any deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR 200.339 Remedies for non-compliance

**8) AUDIT.**

To meet its obligation to the EPA, the City may conduct random reviews of CapMetro efforts to protect against waste, fraud, and abuse. As part of this process, the City or its authorized representatives may request documentation from CapMetro to verify statements made on the reporting documents. CapMetro may be selected for advanced monitoring, including potential site visits to confirm Project details. The City, or its authorized representatives, may also conduct site visits to confirm documentation is on hand and that the Project is completed as agreed upon, as well as confirm applicable Project components adhere to Build America, Buy America requirements. CapMetro is expected to comply with site visit requests and recordkeeping from the Effective Date of this Agreement and must supply the City with any

requested documents for three years from the date of the final expenditure report, or risk cancellation of the EPA approved use of CPRG funds or other federal enforcement actions.

## 9) COMMUNICATION.

- (a) Dispute Resolution. If a disagreement between the Parties arises regarding a Project or any other requirement or provision of this Agreement, and the disagreement is not resolved among the City and CapMetro representatives, the matter shall be referred as soon as possible to the City Manager, or designee, and CapMetro's President and CEO, or designee, for resolution.
- (b) General. Should any dispute arise between the Parties to this Agreement, then the City and CapMetro agree to negotiate prior to prosecuting a suit for damages. However, this Section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either Party may make a written request for a meeting between representatives of each Party within ten (10) days after receipt of the request or such a later period as agreed by the Parties. Each Party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of such a meeting and any subsequent meetings with respect to such a dispute shall be to attempt in good faith to negotiate a resolution of the dispute. If, within twenty (20) days after such meeting, the Parties have not succeeded in negotiating a resolution of the dispute, the Parties will, upon written notice of one Party to the other Party, given within ten (10) days following the expiration of such twenty (20) day period (a "Request for Mediation"), proceed directly to non-binding mediation as described below.
- (c) Mediation. If the efforts to resolve such dispute through negotiation fail within the period set forth in the foregoing section, or the City and CapMetro each waive the negotiation process, the Parties may select, within twenty (20) days after the date of the Request for Mediation or mutual waiver of negotiation, as applicable, a mediator trained in mediation skills to assist with resolution of the dispute. The Parties agree to act in good faith in the selection of the mediator and to consider qualified individuals nominated to act as mediator. Nothing in this Agreement prevents the Parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the Parties fail to agree on a mediator within twenty (20) days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center. The mediation shall take place in Austin, Texas. The Parties agree to participate in mediation in good faith for up to thirty (30) days from the date of the first mediation session. The Parties shall share the costs of the mediator equally. In the absence of a separate written agreement of the Parties to the contrary, the results of this mediation shall not be binding on either of the Parties.

**10) MISCELLANEOUS.**

- (a) Merger. This writing constitutes the entire agreement between the City and CapMetro concerning the subject matter of this Agreement. No other terms and conditions are applicable, unless amended and agreed to by both parties. This Agreement may not be modified, discharged, or changed in any respect whatsoever except by a further agreement in writing duly executed by authorized representatives of the Parties.
- (b) Force Majeure. In the event that the performance by the City or CapMetro of any of its obligations or undertakings hereunder shall be interrupted or delayed by any occurrence not occasioned by its own conduct, whether such occurrence be an act of God, or the common enemy, or the result of war, riot, civil commotion, sovereign conduct, pandemic, or the act of conduct of any person or persons not a party or privy hereto, then it shall be excused from such performance for such period of time as is reasonably necessary after such occurrence to remedy the effects hereto.
- (c) Notice. Any notice given hereunder by either party to the other shall be in writing and may be effected by personal delivery in writing or by registered or certified mail, return receipt requested when mailed to the proper party, at the following addresses:

CITY: City of Austin, Department of Transportation & Public Works  
Attn: Richard Mendoza, Director of Transportation & Public Works  
5202 E Ben White Blvd, Suite 550  
Austin, Texas 78741

WITH COPY TO: Deborah Thomas, Interim City Attorney  
City of Austin Law Department  
301 W. 2nd Street  
Austin, Texas 78701

CAPMETRO: Dottie Watkins  
President and CEO  
Capital Metropolitan Transportation Authority  
2910 East Fifth Street  
Austin, Texas 78702

WITH A COPY TO: Chief Counsel  
Capital Metropolitan Transportation Authority  
2910 East Fifth Street  
Austin, Texas 78702

- (d) Other Instruments. The Parties covenant and agree that they will execute other and further instruments and documents as may become necessary or convenient to effectuate and

carry out the purposes of this Agreement.

- (e) Invalid Provision. Any clause, sentence, provision, paragraph, or article of this Agreement held by a court of competent jurisdiction to be invalid, illegal, or ineffective shall not impair, invalidate, or nullify the remainder of this Agreement, but the effect thereof shall be confined to the clause, sentence, provision, paragraph, or article so held to be invalid, illegal, or ineffective.
- (f) Responsibility for Liability. Each Party acknowledges that the other Party is a governmental entity with sovereign immunity, and this Agreement in no way is intended to waive any claim thereto. To the extent allowed by Texas law, the City and CapMetro agree that each entity is responsible for its own proportionate share of any liability for its negligent acts or omissions. In addition, the design consultant and construction contractor for any Improvements shall be required to provide workers compensation insurance, auto liability and general liability insurance in the standard amounts required by the City.
- (g) Recitals. The parties agree that the recitals set forth above in this Agreement are true and correct, and the representations, covenants and recitations set forth therein are made a part hereof for all purposes.
- (h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.
- (i) Venue. The venue of any suit brought for any breach of this Agreement is fixed in any court of competent jurisdiction of Travis County, Texas.
- (j) Time of the Essence. Time is of the essence in the performance of this Agreement and alltime limits shall be strictly construed and rigidly enforced. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period or by a particular date that ends or occurs on a non-business day (i.e., Saturday, Sunday or a holiday recognized by the U.S. federal government or the State of Texas), then such period or date will be extended until the immediately following business day.
- (k) Authority. Each party certifies that this Agreement has been authorized by its governing body in accordance with Chapter 791 of the Texas Government Code.
- (l) No Third-Party Beneficiaries. The Parties agree that the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties and is made solely and specifically for their benefit. No other person shall have any rights, interest or claims under this Agreement.
- (m) Amendments. Except for an amendment to add Project(s) to the scope set forth in “Exhibit

B” by mutual agreement, in accordance with Section 2 of this Agreement, any amendments to this Agreement must be approved by each Party’s governing body.

- (n) Counterparts. This Agreement may be executed in multiple counterparts which, taken together, will collectively constitute a single agreement. The City shall retain all counterparts and file them with the City Clerk of the City of Austin. In making proof of such Agreement, any Party may obtain certified copies of all counterparts from the City Clerk. It will not be necessary to provide original counterparts.
- (o) Texas Public Information Act. It will be the responsibility of each Party to comply with provisions of Chapter 552, Texas Government Code, (“Texas Public Information Act”) and the Attorney General Opinions issued under that statute. Neither Party is authorized to receive requests or take any other action under the Texas Public Information Act on behalf of the other Party. Responses to requests for confidential information shall be handled in accordance with the provisions of the Texas Public Information Act. The provisions of this section survive the termination or expiration of this Agreement.

## 11) EXHIBITS.

“**Exhibit A**” – U.S. Environmental Protection Agency Grant Agreement

“**Exhibit B**” – CapMetro Scope of Projects and Services

“**Exhibit C**” – Memorandum of Agreement Among Capital Area Council of Governments (“CAPCOG”), Capital Area Rural Transportation System (CARTS), Capital Metropolitan Transportation Authority (“CAPMETRO”), City of Austin Moveability, and the Texas Department of Transportation (“TxDOT”)

**CITY OF AUSTIN, TEXAS**

By: \_\_\_\_\_  
Michael Rogers, Assistant City Manager

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Angela C. Rodriguez  
Assistant City Attorney

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Dottie Watkins, President & CEO

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Associate Counsel

|  |   |   |  |
|--|---|---|--|
|    | <b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b><br><b>Grant Agreement</b> | <b>GRANT NUMBER (FAIN):</b> 02F75501<br><b>MODIFICATION NUMBER:</b> 0<br><b>PROGRAM CODE:</b> 5E  | <b>DATE OF AWARD</b><br>10/08/2024                   |
|  |   | <b>TYPE OF ACTION</b><br>New  | <b>MAILING DATE</b><br>10/11/2024                    |
|  |   | <b>PAYMENT METHOD:</b><br>ASAP  | <b>ACH#</b><br>PEND                                  |
|  |   | <b>RECIPIENT TYPE:</b><br>Municipal   |  |
| <b>RECIPIENT:</b><br>THE CITY OF AUSTIN<br>P.O. Box 1088<br>AUSTIN, TX 78767<br><b>EIN:</b> 74-6000085   |   | <b>PAYEE:</b><br>THE CITY OF AUSTIN<br>P.O. Box 1088<br>AUSTIN, TX 78767  |  |
| <b>PROJECT MANAGER</b><br>Jacob Barrett<br>P.O. Box 1088<br>1111 Rio Grande Street, Austin, TX 78701<br>AUSTIN, TX 78767<br><b>Email:</b> jacob.barrett@austintexas.gov<br><b>Phone:</b> 817-422-2569  |   | <b>EPA PROJECT OFFICER</b><br>Mandeep Singh<br>1201 Elm Street, Suite 500, ARDPG<br>Dallas, TX 75270-2102<br><b>Email:</b> singh.mandeep@epa.gov<br><b>Phone:</b> 214-665-6645                        |  |
|  |   | <b>EPA GRANT SPECIALIST</b><br>Lisa Kapsh<br>Mission Support Division, MSDGG<br>1201 Elm Street, Suite 500<br>Dallas, TX 75270-2102<br><b>Email:</b> Kapsh.Lisa@epa.gov<br><b>Phone:</b> 214-665-7335 |  |
| <b>PROJECT TITLE AND DESCRIPTION</b><br>Moving Central Texas Toward Lower Greenhouse Gas (GHG) Emissions<br>See Attachment 1 for project description.  |   |   |  |
| <b>BUDGET PERIOD</b><br>01/01/2025 - 12/31/2029  | <b>PROJECT PERIOD</b><br>01/01/2025 - 12/31/2029                      | <b>TOTAL BUDGET PERIOD COST</b><br>\$ 47,854,062.00   | <b>TOTAL PROJECT PERIOD COST</b><br>\$ 47,854,062.00 |
| <b>NOTICE OF AWARD</b>   |   |   |  |
| Based on your Application dated 04/01/2024 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 47,854,062.00. EPA agrees to cost-share <u>100.00%</u> of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 47,854,062.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments. |   |   |  |
| <b>ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)</b>   |   | <b>AWARD APPROVAL OFFICE</b>  |  |
| <b>ORGANIZATION / ADDRESS</b><br>U.S. EPA, Region 6, Grants Management Section<br>1201 Elm Street, Suite 500<br>Dallas, TX 75270-2102  |   | <b>ORGANIZATION / ADDRESS</b><br>U.S. EPA, Region 6, Air and Radiation Division<br>R6 - Region 6<br>1201 Elm Street, Suite 500<br>Dallas, TX 75270-2102   |  |
| <b>THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY</b>  |   |   |  |
| <b>Digital signature applied by EPA Award Official</b> Marya Stanton - Director, Mission Support Division  |   |   | <b>DATE</b><br>10/08/2024                            |

EPA Funding Information

| FUNDS                         | FORMER AWARD | THIS ACTION   | AMENDED TOTAL |
|-------------------------------|--------------|---------------|---------------|
| EPA Amount This Action        | \$ 0         | \$ 47,854,062 | \$ 47,854,062 |
| EPA In-Kind Amount            | \$ 0         | \$ 0          | \$ 0          |
| Unexpended Prior Year Balance | \$ 0         | \$ 0          | \$ 0          |
| Other Federal Funds           | \$ 0         | \$ 0          | \$ 0          |
| Recipient Contribution        | \$ 0         | \$ 0          | \$ 0          |
| State Contribution            | \$ 0         | \$ 0          | \$ 0          |
| Local Contribution            | \$ 0         | \$ 0          | \$ 0          |
| Other Contribution            | \$ 0         | \$ 0          | \$ 0          |
| Allowable Project Cost        | \$ 0         | \$ 47,854,062 | \$ 47,854,062 |

| Assistance Program (CFDA)                   | Statutory Authority     | Regulatory Authority                |
|---|-------------------------|-------------------------------------|
| 66.046 - Climate Pollution Reduction Grants | Clean Air Act: Sec. 137 | 2 CFR 200, 2 CFR 1500 and 40 CFR 33 |

| Fiscal    |            |      |              |                     |           |              |              |                   |                           |
|-----------|------------|------|--------------|---------------------|-----------|--------------|--------------|-------------------|---------------------------|
| Site Name | Req No     | FY   | Approp. Code | Budget Organization | PRC       | Object Class | Site/Project | Cost Organization | Obligation / Deobligation |
| -         | 2406JSR069 | 2226 | E4SF5        | 06J5                | 000ACGXJ2 | 4132         | -            | -                 | \$ 47,854,062             |
|           |            |      |              |                     |           |              |              |                   | \$ 47,854,062             |

Budget Summary Page

| Table A - Object Class Category<br>(Non-Construction)              | Total Approved Allowable<br>Budget Period Cost |
|--|--|
| 1. Personnel   | \$ 449,463                                     |
| 2. Fringe Benefits   | \$ 119,781                                     |
| 3. Travel  | \$ 5,000                                       |
| 4. Equipment   | \$ 4,326,834                                   |
| 5. Supplies  | \$ 2,438,384                                   |
| 6. Contractual   | \$ 19,332,000                                  |
| 7. Construction  | \$ 0   |
| 8. Other   | \$ 21,182,600                                  |
| 9. Total Direct Charges  | \$ 47,854,062                                  |
| 10. Indirect Costs: 0.00 % Base                                    | \$ 0   |
| 11. Total (Share: Recipient <u>0.00</u> % Federal <u>100.00</u> %) | \$ 47,854,062                                  |
| 12. Total Approved Assistance Amount                               | \$ 47,854,062                                  |
| 13. Program Income   | \$ 0   |
| 14. Total EPA Amount Awarded This Action                           | \$ 47,854,062                                  |
| 15. Total EPA Amount Awarded To Date                               | \$ 47,854,062                                  |

## Attachment 1 - Project Description

The purpose of this award is to provide funding under the Inflation Reduction Act (IRA) to The City of Austin. The recipient will implement greenhouse gas (GHG) reduction programs, policies, projects, and measures identified in a Priority Climate Action Plan (PCAP) developed under a Climate Pollution Reduction Grants (CPRG) planning grant. Activities conducted through this grant will benefit all residents and visitors to The City of Austin and surrounding areas through four main objectives: implementation of ambitious measures that will achieve significant cumulative GHG reductions by 2030 and beyond; pursuit of measures that will achieve substantial community benefits, particularly in low-income and disadvantaged communities; complementing other funding sources to maximize these GHG reductions and community benefits; and, pursuit of innovative policies and programs that are replicable and can be “scaled up” across multiple jurisdictions. The activities include three measures as follows:

1. Improving regional transit service: Dedicated measure to manage transportation demand during the multi-year disruptions that will be caused by the construction of mobility corridor upgrades. This will reduce Vehicles Miles Traveled (VMT) and increase equity by improving transit service in Low-Income and Disadvantage Communities (LIDACs).

2. Investing in mobility infrastructure: Development of eight mobility hubs and other supportive infrastructure for people to access transit, private shuttles, bike share, micro-mobility, and carpool/vanpool meetup points. This will reduce VMT and increase equity by improving mobility infrastructure in LIDACs.

3. Inspiring behavior change: Commute tools that include trip and route planning, carpool matching, and emergency rides home. Subsidies, incentives, and rewards for commuters to take transit, ride bikes, walk, carpool, or choose not to drive. Partnerships with employers to support flexible scheduling and remote work. Large-scale multilingual marketing and communications campaign informing communities (especially those impacted by major construction projects) of their low-GHG mobility alternatives. This campaign would also include grassroots, multilingual, community-based outreach, and partnerships with local community-based organizations to develop personalized low-GHG travel planning for hard-to-reach communities, such as LIDACs. This will reduce VMT by kickstarting behavior change to adapt to construction impacts and build cultural acceptance of non-Single Occupancy Vehicle (SOV) modes. The anticipated deliverables include an increase in transit service frequency, improved mobility hubs, bike parking locations, and monitoring infrastructure, and an increase in residents engaged and incentives distributed.

The expected outcomes include a reduction in cumulative metric tons of GHG emissions from 2025 through calendar year 2050. A reduction in annual amounts of Criteria Air Pollutants (CAP) and/or Hazardous Air Pollutants (HAP) emissions in general and in LIDACs from 2025 through calendar year 2050. An increase in passenger ridership, an increase in bike trips made, increased coverage of local and regional Air Quality Index (AQI) monitoring network, and an increase in percent of land area covered by local and regional AQI monitoring infrastructure. Also these deliverables will reduce vehicle miles traveled, number of trips taken with a transport wallet will be available, and there will be an increase in passengers using transit services.

The intended beneficiaries include all residents in the City of Austin Metropolitan Statistical Area (MSA), with particular emphasis on LIDACs, which represent 19% of the MSA’s total population.

CapMetro service frequency improvements and transit reliability funding to cost \$2,000,000 per year for a

Exhibit A

total of \$10,000,000 over the five-year period. Capital Area rural transportation service frequency and transit reliability funding to cost \$500,000 per year for a total of \$2,500,000 over the five-year period. Mobility hub shuttle transportation service funding to cost \$1,000,000 per year for a total of \$5,000,000 over the five-year period.

## Administrative Conditions

### National Administrative Terms and Conditions

#### General Terms and Conditions

The recipient agrees to comply with the current Environmental Protection Agency (EPA) general terms and conditions available at: [https://www.epa.gov/system/files/documents/2024-10/fy\\_2025\\_epa\\_general\\_terms\\_and\\_conditions\\_effective\\_october\\_1\\_2024\\_or\\_later.pdf](https://www.epa.gov/system/files/documents/2024-10/fy_2025_epa_general_terms_and_conditions_effective_october_1_2024_or_later.pdf)

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

#### A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): [rtpfc-grants@epa.gov](mailto:rtpfc-grants@epa.gov) and *[Lisa Kapsh, Grants Management Specialist at: [Kapsh.Lisa@epa.gov](mailto:Kapsh.Lisa@epa.gov) and Local Email Box at: [R6\\_EPA\\_Grants\\_Programs@epa.gov](mailto:R6_EPA_Grants_Programs@epa.gov)].*
- MBE/WBE reports (EPA Form 5700-52A): *[Debora Bradford, DBE Coordinator at: [Bradford.Debora@epa.gov](mailto:Bradford.Debora@epa.gov) and Lisa Kapsh, Grants Management Specialist at: [Kapsh.Lisa@epa.gov](mailto:Kapsh.Lisa@epa.gov) and Local Email Box at: [R6\\_EPA\\_Grants\\_Programs@epa.gov](mailto:R6_EPA_Grants_Programs@epa.gov)].*
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: *[Mandeep Singh, Project Officer at: [Singh.Mandeep@epa.gov](mailto:Singh.Mandeep@epa.gov) and Lisa Kapsh, Grants Management Specialist at: [Kapsh.Lisa@epa.gov](mailto:Kapsh.Lisa@epa.gov) and Local Email Box at: [R6\\_EPA\\_Grants\\_Programs@epa.gov](mailto:R6_EPA_Grants_Programs@epa.gov)].*
- Payment requests (if applicable): *[Mandeep Singh, Project Officer at: [Singh.Mandeep@epa.gov](mailto:Singh.Mandeep@epa.gov) and Lisa Kapsh, Grants Management Specialist at: [Kapsh.Lisa@epa.gov](mailto:Kapsh.Lisa@epa.gov) and Local Email Box at: [R6\\_EPA\\_Grants\\_Programs@epa.gov](mailto:R6_EPA_Grants_Programs@epa.gov)].*
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: *[Mandeep Singh, Project Officer at: [Singh.Mandeep@epa.gov](mailto:Singh.Mandeep@epa.gov)].*

## Programmatic Conditions

### Climate Pollution Reduction Implementation Grants Programmatic Terms and Conditions

#### A. Deliverables

The first phase of the Climate Pollution Reduction Grants (CPRG) program provided funding for designing Priority Climate Action Plans (PCAPs) that incorporate a variety of measures (i.e., programs, policies, measures, and projects) that reduce greenhouse gas (GHG) emissions. The purpose of this CPRG Implementation assistance agreement is to implement proposed measures within a specified PCAP identified in the CPRG Implementation Grant General Competition application. All programs, policies, measures, and projects contained in the final, approved CPRG implementation assistance agreement workplan are required deliverables.

The recipient agrees to implement GHG reduction programs, policies, projects, and measures (collectively referred to as “GHG reduction measures,” or “measures”) identified in a PCAP developed under a CPRG planning grant and included in the CPRG implementation grant workplan. The recipient agrees to ensure that each is successfully implemented before the end of the grant project period. The recipient agrees to successful project implementation, which includes the process of putting a decision or plan into effect; executing the program, policies, projects and/or measures, not just planning or designing the programs, policies, projects and/or measures. The recipient agrees to adequately describe the actual environmental outputs and outcomes achieved, including actual GHG emissions reduced, not just the expected outputs and outcomes of the proposed measures. Clean Air Act (CAA) section 137 also requires that CPRG Implementation grant recipients address the degree to which a grant reduces GHG emissions in total and with respect to low-income and disadvantaged communities, where “greenhouse gas” refers to the air pollutants carbon dioxide (CO<sub>2</sub>), hydrofluorocarbons (HFCs), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>).

To the best of their ability, the recipient agrees to:

- implement GHG emission reduction programs, policies, measures, and projects that are expected to reduce GHG emissions (or enhance GHG removals) by the estimated cumulative total GHG emission reductions from the final approved workplan;
- only report emission reductions occurring as a result of CPRG funding; and
- only report emission reduction data in units of million metric tons of carbon dioxide equivalent (MMTCO<sub>2</sub>e) where appropriate, calculated using the global warming potentials (GWP) in the International Panel on Climate Change's (IPCC) Fifth Assessment Report.

Refer to the Notice of Funding Opportunity, EPA-R-OAR-CPRGI-23-07 ([https://www.epa.gov/system/files/documents/2023-09/CPRG\\_General\\_Competition\\_NOFO.pdf](https://www.epa.gov/system/files/documents/2023-09/CPRG_General_Competition_NOFO.pdf)), Appendix B, Global Warming Potentials for GHGs, for details about how to apply GWP values for different gases.

For the measures included in the final, approved assistance agreement work plan, the recipient agrees to provide transparent GHG emission reduction estimates based on high-quality, thorough, reasonable, and comprehensive methodologies, assumptions, and calculations. Examples of tools that could be used to assist in these GHG quantifications can be found at: <https://www.epa.gov/inflation-reduction-act/climate-pollution-reduction-grants>.

## B. Final Approved Work Plan and Modifications

The recipient agrees to implement the measures in the EPA-approved work plan that will achieve significant cumulative GHG reductions by 2030 and beyond.

Recipient agrees to carry out the project in accordance with the final approved workplan. Recipients are required to report deviations from budget or project scope or objective, and must request prior written approval from the EPA:

- For any change in the scope or objective of the project or program (even if there is no associated budget revision requiring prior written approval);
- For change in key personnel (including employees and contractors) that are identified by name or position in the Federal award;
- For the disengagement from a project for more than three months, or a 25% reduction in time and effort devoted to the Federal award over the course of the period of performance, by the approved project director or principal investigator;
- For the inclusion of costs that require prior approval in accordance with 2 CFR Part 200 Subpart E—Cost Principles or 48 CFR part 31, “Contract Cost Principles and Procedures,” as applicable;
- For the transfer of funds budgeted for participant support costs as defined in 2 CFR Section 200.1 Definitions to other budget categories;
- For the subawarding, transferring or contracting out of any work under the award;
  - Changes in the total approved cost-sharing amount
  - When the need arises for additional Federal funds to complete the project.

Proposed modifications to the approved work plan or budget, including additions, deletions, or changes in the schedule, shall be submitted in a timely manner to the EPA Project Officer for approval. Depending on the type or scope of changes, a formal amendment to the award may be necessary. Major project modifications may include but are not limited to: changes to the approved environmental results, outputs or outcomes, types and number of affected devices or equipment, the approved types of emission reduction technologies to be implemented, specific programs or policies to be adopted, or changes to the approved project location(s). Any change that would significantly alter the cumulative GHG reductions achieved by 2030 and beyond and affect the achievement of community benefits, especially in low-income and disadvantaged communities, may not be allowed. The recipient shall not make changes to the proposed activities in the EPA-approved work plan without prior written approval from the EPA. The recipient shall contact the EPA Project Officer with the proposed changes; however, depending on the type of change, the Agency Award Official or Grant Management Officer may need to make the final determination. If issues regarding proposed measures arise that cannot be resolved, the EPA may elect to terminate the assistance agreement, and/or if applicable, recover ineligible expenditures from the recipient. Any significant changes to the approved work plan that would result in undermining the integrity of the award competition will not be approved.

For grants that are awarded to a recipient that is serving as the lead for a coalition under the CPRG program, the recipient agrees to abide by the terms set out in the Memorandum of Agreement (MOA), including the roles, responsibilities, and commitments that each partner will provide to ensure project success, the operating model for the coalition, and the resources that each partner will contribute to the project. As established in the CPRG coalition's MOA, the lead applicant is accountable to the EPA and accepts full responsibility for effectively carrying out the full scope of work and proper financial

management of the grant. Coalition members who are grant subrecipients are accountable to the lead applicant for proposed use of EPA funding and successful project implementation. The recipient shall not make changes to the signed MOA without prior written approval from the EPA.

## C. Performance Reporting and Final Performance Report

### 1. Performance Reports - Content

The recipient agrees to inform the EPA as soon as it is aware of problems, delays, or adverse conditions that will materially impair the recipient's ability to meet the outputs/outcomes specified in the final, approved assistance agreement work plan. The recipient agrees to inform the EPA immediately rather than waiting until the next performance report is due.

The recipient agrees to adequately describe the actual environmental outputs and outcomes achieved, not just the expected outputs and outcomes of the proposed measures. The recipient agrees to report out on each performance measures that will be the mechanism to track, measure, and report progress toward achieving the expected outputs and outcomes for each GHG reduction measure. The recipient agrees to track and report separately on the work conducted and GHG emissions reductions for each measure (program, policy, measure, or project) specified in the final, approved assistance agreement work plan. Recipients also agree to track and report separately on the budgets for each measure.

In accordance with 2 CFR 200.329, the recipient agrees to submit semi-annual, one-year, and final performance progress reports that include brief information on each of the areas specified below. To ensure the EPA can effectively monitor progress towards the achievement of measures, the recipient also agrees to report progress for each measure identified in the final, approved assistance agreement work plan as soon as work is completed and information is available.

**a. Semi-Annual:** The recipient agrees to submit semi-annual performance reports that include brief information on each of the following areas:

(1) a comparison of actual technical progress and milestones achieved during the reporting period to the outputs/outcomes and performance measures established in the final, approved assistance agreement work plan, which may include technical changes made to the project, public events conducted, websites published, release of public-facing documents or tools, or other reportable activities described in the work plan;

(2) a consolidated budget update with separate tracking for each measure (that is, how much was spent on equipment, supplies, contractors, subgrants, etc., during the reporting period and cumulatively) and, when appropriate, additional pertinent information such as analysis and explanation of cost overruns, high-unit costs, cost-share expenditures, program income, infrastructure costs subject to Buy America, Build America (BABA) compliance, or requested budget modifications (for example, when the recipient is requesting to move funding from one budget category to another);

(3) if necessary, a description of the reasons why any implementation timeline milestones or outputs/outcomes were missed for each measure established in the final, approved assistance agreement work plan, including the recipient's strategy to address challenges faced and/or the recipient's approach to ensure that the approved outputs/outcomes for each measure will be achieved within the period of performance;

- (4) documentation of community engagement activities conducted in low-income and disadvantaged communities for each measure, which describes how the activities were publicized, categorizes respondents/attendees (e.g., the number of people from Tribal governments, federal government, state government, local government, nonprofits, for profits, universities, and the public), explains how input from participants was considered in decisions for implementing the measure, and details how meaningful engagement with low-income and disadvantaged communities will be continuously included in the development and implementation of the measure;
- (5) as applicable, strategies for mitigating environmental risks;
- (6) a description of any climate resiliency planning, siting, design, and operation of the project.
- (7) as applicable, updates to individuals, including those from coalition members, who serve as key contacts and/or any changes to the roles and responsibilities of key contacts involved in each measure and the reason(s) for the change(s);
- (8) as applicable, updates regarding which organizations have the authority to implement each measure and the reason(s) for the change(s);
- (9) as applicable, updates regarding changes to contracts, subgrants, and participant support costs;
- (10) as applicable, progress on generating high-quality jobs with a diverse, highly skilled workforce and support of strong labor standards; and
- (11) summary of anticipated activities for the next 6-month reporting period.

**b. One-year report:** As part of the second semi-annual progress report (*i.e.* the more detailed one-year report), the recipient agrees to report the additional data to the EPA using the reporting template from the EPA's Information Collection Request 2806.01, Office of Management and Budget (OMB) Control Number 2060-0763. The reporting template will be made available to grant recipients through an electronic data interface to be specified by EPA upon approval of the Information Collection Request. This includes co-pollutant emissions reductions of each pollutant impacted by each measure, the sector impacted, and the county in which the emissions change. In addition, the recipient agrees to report the Climate and Economic Justice Screening Tool (CEJST) Census tract IDs or the EPA's EJScreen Census block group IDs for areas affected by GHG reduction measures, consistent with the EPA's definition of low-income and disadvantaged communities for the CPRG program.

**c. Final Report:** The recipient also agrees to submit a detailed final report and to report certain data associated with the final report to the EPA using the reporting template from the EPA's Information Collection Request 2806.01, OMB Control Number 2060-0763.

#### **D. Subaward Performance Reporting**

Subawards establish a financial assistance relationship under which the subrecipient's employees and contractors implement programs and projects to accomplish the goals and objectives of the grant. Subrecipients (which includes Coalition members) are subject to the same federal requirements as the pass-through entity. (For more details, see General Terms and Conditions 8. Establishing and Managing Subawards, applicable provisions of 2 CFR Part 200, the EPA's Subaward Policy). The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be

reported if the pass-through entity has the information available are:

- (1) Summaries of results of reviews of financial and programmatic reports.
- (2) Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
- (3) Environmental results the subrecipient achieved.
- (4) Summaries of audit findings and related pass-through entity management decisions.
- (5) Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.332(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

As with any EPA grant with a grant recipient subawarding to subrecipients, the grant recipient is accountable to the EPA and accepts responsibility for carrying out the full scope of work and proper financial management of the grant. In the event that a coalition member withdraws, the grant recipient continues to be subject to the EPA's terms and conditions for the grant, the subaward policy, and EPA grants policy. In circumstances where the EPA deems that the withdrawal of a coalition member fundamentally alters the project or jeopardizes the project's success, the EPA will consider appropriate remedies and reserves the right to terminate an awarded grant (see 2 CFR 200.339 through 343)

## 2. Performance Reports - Frequency

The recipient agrees to submit **semi-annual** performance reports electronically to the EPA Project Officer within 30 days after the six-month reporting period ends. Semi-annual reports are due according to the following schedule. If a due date falls on a weekend or holiday, the report will be due on the next business day. If a project start date falls within a defined reporting period, the recipient must report for that period by the given due date unless otherwise noted. This semi-annual reporting schedule shall be repeated for the duration of the award agreement.

January 1 – June 30 Reporting Period: report due July 31

July 1 – December 31 Reporting Period: report due January 31

As part of the second semi-annual performance report that is submitted one year after the grant award, the recipient agrees to submit the **one-year** performance report that includes the additional details specified above in section C.1.b.

The recipient must submit the final performance report no later than 120 calendar days after the end date of the period of performance.

## E. Davis-Bacon Related Act Term and Condition

(Davis-Bacon only applies to CPRG grants that include construction activities. Note: CPRG grants will still use the EPA non-construction budget form even if the grant includes construction activities.)

### 1. Program Applicability

- a. Climate Pollution Reduction Implementation Grants.
- b. Section 314 of the Clean Air Act.
- c. Construction activities conducted under a Climate Pollution Reduction Implementation Grant.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project(s) or activities subject to Davis Bacon under this grant.

## 2. Davis-Bacon and Related Acts

Davis-Bacon and Related Acts (DBRA) (<https://www.dol.gov/agencies/whd/government-contracts/construction>) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- a. Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more;
- b. Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- c. Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000.

## 3. Recipient Responsibilities When Entering Into and Managing Contracts

### a. Solicitation and Contract Requirements:

(1) Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

(2) Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the DBRA Requirements for Contractors and Subcontractors Under EPA Grants (<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>).”

### b. After Award of Contract:

(1) Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

(2) Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

## 4. Recipient Responsibilities When Establishing and Managing Additional Subawards

a. Include DBRA Requirements in All Subawards (including Loans): Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients (<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>).”

b. Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

## 5. Consideration as Part of Every Prime Contract Covered by DBRA

The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

## F. Allowable and Unallowable Activities

The recipient agrees to only use this CPRG Implementation grant award funding to implement measures in the EPA approved workplan for this CPRG Implementation grant and follow the grant Terms and Conditions.

All costs charged to the award to support these activities must meet the requirements for allowability under 2 CFR Part 200, Subpart E as well as applicable provisions of 2 CFR Part 1500. In addition, the recipient agrees to obtain prior approval from the EPA Award Official prior to the expenditure of the award for financial assistance as well as other activities that involve acquiring real property, including related equipment purchases, if not already in the EPA approved work plan.

The recipient agrees to not use the award for the following unallowable activities: (a) activities that are not in the EPA approved work plan; (b) activities that support measures, activities or projects outside the boundaries of the ten EPA regions. The recipient also agrees not to use this CPRG award to replace existing program federal funding, but the recipient may use CPRG funds to supplement or expand existing programs. The recipient also agrees not to use the award for activities associated with defending against, settling, or satisfying a claim by a private litigant, except when either (a) the claim stems from the recipient's compliance with the terms and conditions of the award agreement or (b) the recipient has obtained prior written approval from the EPA Project Officer.

The recipient agrees to not use the award to aid regulated entities to comply with EPA regulatory requirements.

## G. Cybersecurity Condition

### 1. Cybersecurity Grant Condition for Other Recipients, Including Intertribal Consortia

a. The recipient agrees that when collecting and managing environmental data under this assistance

agreement, it will protect the data by following all applicable State or Tribal law cybersecurity requirements.

b. (1) The EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure. For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or the EPA's Central Data Exchange, the recipient agrees to contact the EPA PO no later than 90 days after the date of this award and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by the EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any subawards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the subrecipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or the EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in subaward agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.332(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and the EPA.

## **H. Climate Resilience:**

To the extent practicable, the recipient agrees to incorporate current and future climate change risk in planning, siting, design, and operation of the project. Approaches for incorporating climate change risk may make use of climate change data and information (e.g., projections and emission scenarios) that are reflective of the project's anticipated lifespan. This includes consideration of the climate change risks posed to the individuals, communities, local governments, organizations, or other entities served by the project over its anticipated lifespan.

## **I. Subawards**

Refer to the General Terms and Condition, 8. "Establishing and Managing Subawards" and EPA Subaward Policy webpage (<https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients>) for access to additional information, including a subaward agreement template found in Appendix D.

The recipient must include the Build America, Buy America terms in any subawards, request for proposals, or solicitations for bids, and in all contracts.

## **J. Equipment and Devices**

### **1. Procurement of Systems, Equipment and Devices**

When purchasing replacement systems, equipment and/or devices, the recipient agrees the replacement systems, equipment or device:

- a. will continue to perform a similar function and operation as the system, equipment or device that is being permanently rendered inoperable;
- b. will achieve the estimated emission reductions included in the EPA-approved work plan; and
- c. is consistent in its intended use, operation and location as described in the EPA-approved work plan.

The procurement of systems, equipment or devices should follow the EPA's Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements (<https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance>).

## 2. Operation and Maintenance

The recipient will assure the continued proper operation and maintenance of systems, equipment and devices funded under this agreement. Such practices shall be operated and maintained for the expected lifespan of the specific measure and in accordance with commonly accepted design standards and specifications. The recipient shall include a provision in every applicable sub-agreement (subaward or contract) awarded under this grant requiring that the management practices for the project be properly operated and maintained. Likewise, the sub-agreement will assure that similar provisions are included in any sub-agreements that are awarded by the sub-recipient.

## 3. Equipment Use and Management

Equipment is defined as tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes (see Capital assets at 2 CFR 200.1 Definitions), or the amount specified in Equipment at 2 CFR 200.1. Under 2 CFR 200.313, if the CPRG grant recipient purchases equipment with CPRG federally-awarded funds, title to the equipment vests in the grant recipient and there will be no ongoing requirements for the grant recipient for the purchased equipment after the end of the grant period.

These conditions must be met by the grant recipient for equipment use and management during the grant period:

- a. Use the equipment for the authorized purposes of the project during the period of performance or until the property is no longer needed for the purposes of the project.
- b. Not encumber the property without approval of the Federal awarding agency or pass-through entity.
- c. Use and dispose of the property as described below. Equipment use and management instructions are applicable to assistance agreement recipients and subrecipients acquiring equipment under this award. Per 2 CFR 200.313(b), state agencies may use and manage equipment acquired through a Federal award by the state in accordance with state laws and procedures. Per 2 CFR 200.313(b), Indian Tribes must use, manage, and dispose of equipment acquired under a Federal award in accordance with tribal laws and procedures.

Recipient agrees that at the end of the project period the recipient will continue to use the equipment purchased under this assistance agreement in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. After the end of the grant period, equipment purchased under this award that is no longer needed, may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency.

Consistent with 2 CFR 200.313, unless instructed otherwise, a grant recipient may keep the equipment and continue to use it on the project originally funded through this assistance agreement or on other federally funded projects whether or not the project or program continues to be supported by Federal funds. When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Subrecipients are subject to the same federal requirements as the grant recipient (also known as the “pass-through entity”) and they must comply with applicable subaward provisions of 2 CFR Part 200, the EPA Subaward Policy, and the EPA's General Term and Condition for Subawards.

Under 2 CFR 200.313, if the CPRG grant recipient purchases equipment with CPRG federally-awarded funds, title to the equipment vests with the grant recipient and there will be no ongoing requirements for the grant recipient for the purchased equipment after the end of the grant period.

In this case, equipment includes systems, equipment and devices.

## **K. QUALITY ASSURANCE**

Authority: Quality Assurance applies to all assistance agreements involving environmental information as defined in [2 C.F.R. § 1500.12](#) Quality Assurance.

The recipient shall ensure that subawards involving environmental information issued under this agreement include appropriate quality requirements for the work. The recipient shall ensure sub-award recipients develop and implement a Quality Assurance (QA) planning document in accordance with this term and condition; and/or ensure sub-award recipients implement all applicable approved QA planning documents.

### **1. Quality Management Plan (QMP)**

a. Prior to beginning environmental information operations, the recipient must:

i. Submit a previously EPA-approved and current QMP,

ii. The EPA Quality Assurance Manager or designee (hereafter referred to as QAM) will notify the recipient and EPA Project Officer (PO) in writing if the QMP is acceptable for this agreement.

b. The recipient must submit the QMP within 90 days after grant award, and/or no more than 180 days after grant award.

c. The recipient must review their approved QMP at least annually. These documented reviews shall be made available to the sponsoring EPA organization if requested. When necessary, the recipient shall revise its QMP to incorporate minor changes and notify the EPA PO and QAM of the changes. If

significant changes have been made to the Quality Program that affect the performance of environmental information operations, it may be necessary to re-submit the entire QMP for re-approval. In general, a copy of any QMP revision(s) made during the year should be submitted to the EPA PO and QAM in writing when such changes occur. Conditions requiring the revision and resubmittal of an approved QMP can be found in section 6 of EPA's [Quality Management Plan \(QMP\) Standard](#).

## 2. Quality Assurance Project Plan (QAPP)

a. Prior to beginning environmental information operations, the recipient must:

i. Develop a QAPP,

ii. Prepare QAPP in accordance with the current version of EPA's [Quality Assurance Project Plan \(QAPP\) Standard](#),

iii. Submit the document for EPA review, and

iv. Obtain EPA Quality Assurance Manager or designee (hereafter referred to as QAM) approval.

### For Reference:

- [Quality Management Plan \(QMP\) Standard and EPA's Quality Assurance Project Plan \(QAPP\) Standard](#); contain quality specifications for EPA and non-EPA organizations and definitions applicable to these terms and conditions.
- [EPA QA/G-5: Guidance for Quality Assurance Project Plans](#).
- [EPA's Quality Program](#) website has a [list of QA managers](#), and [Specifications for EPA and Non-EPA Organizations](#).
- The Office of Grants and Debarment [Implementation of Quality Assurance Requirements for Organizations Receiving EPA Financial Assistance](#).

## L. Retention / Required Documentation

In accordance with 2 CFR 200.334, the recipient must retain all Federal award records, including but not limited to, financial records, supporting documents, and statistical records for at least three years from the date of submission of the final financial report. The records must be retained until all litigation, claims, or audit findings have been resolved and final action has been taken if any litigation, claim, or audit is started before the expiration of the three-year period. Examples of the required records include: (1) time and attendance records and supporting documentation; and (2) documentation of compliance with statutes and regulations that apply to the project.

In accordance with 2 CFR 200.337, the EPA, the Inspector General, the Comptroller General, and the pass-through entity, or any of their authorized representatives, have the right of access to any documents, papers or records of the recipient which are pertinent to the grant award. The rights of access are not limited to the required retention period, but last as long as the records are retained.

If the demonstration projects or activities, device and/or the device components are to be sold, the

recipient must comply with the program income requirements (see the Program Income section below).

### **M. Program Audit**

The EPA will conduct random reviews of recipients to protect against waste, fraud, and abuse. As part of this process, the EPA, or its authorized representatives may request documentation from current recipients to verify statements made on the application and reporting documents. Recipients may be selected for advanced monitoring, including a potential site visit to confirm project details. The EPA, or its authorized representatives, may also conduct site visits to confirm documentation is on hand and that the project is completed as agreed upon, as well as confirm applicable infrastructure adheres to Build America, Buy America (BABA) requirements. Recipients are expected to comply with site visit requests and recordkeeping requirements and must supply the EPA with any requested documents for three years from the date of submission of the final expenditure report, or risk cancellation of an active grant application or other enforcement action.

### **N. Use of Submitted Information**

Applications and reporting materials submitted under this competition may be released in part or in whole in response to a Freedom of Information Act (FOIA) request. The EPA recommends that applications and reporting materials not include trade secrets or commercial or financial information that is confidential or privileged, or sensitive information that, if disclosed, would invade another individual's personal privacy (e.g., an individual's salary, personal email addresses, etc.). However, if such information is included, it will be treated in accordance with [40 CFR 2.203](#). (Review EPA clause IV.a, Confidential Business Information, under EPA Solicitation Clauses <https://www.epa.gov/grants/epa-solicitation-clauses>).

The EPA may make publicly available on the EPA's website or another public website copies or portions of CPRG grant project information.

The EPA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, for federal purposes, submitted project photos, including use in program materials.

### **O. Participant Support Costs**

Participant support costs include rebates, subsidies, stipends, or other payments to program beneficiaries. Participant support costs are not subawards as defined by 2 CFR §200.1 and should not be treated as such. Program beneficiaries may be individual owner/operators or private or public fleet owners, however program beneficiaries cannot be employees, contractors or subrecipients of the grant recipient. The recipient may provide financial assistance and project-deployment technical assistance to enable low-income and disadvantaged communities to deploy and benefit from eligible zero emissions technologies in the form of participant support costs.

The recipient agrees to the following eligibility, restrictions, timelines, and other programmatic requirements on participant support costs:

1. Participant support costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement. Participant support costs for rebates must be supported by guidelines issued by the recipient and approved by the EPA's Award Official or Grants Management Officer, defining the rules, restrictions, timelines, programmatic requirements, reporting and transaction

documentation requirements, eligibility, and funding levels that rebate beneficiaries must follow.

2. Recipient must abide by EPA Participant Support Cost regulation(s) and guidelines including but not limited to “Interim EPA Guidance on Participant Support Costs” (<https://www.epa.gov/grants/rain-2018-g05-r1>). “The EPA Guidance on Participant Support Costs” specifies requirements for rebate program approval by Authorized EPA Officials.

3. Recipient must enter into a written agreement with the program beneficiary that receives participant support costs. Such agreement should not be structured as a subaward agreement, and the administrative grant regulations under 2 CFR Part 200 and 2 CFR Part 1500, as well as the EPA's general terms and conditions do not flow down to program beneficiaries receiving participant support costs. Such written agreement is also required if a subrecipient or contractor intends to issue participant support costs to a program beneficiary. The written agreement must:

- a. describe the activities that will be supported by rebates, stipends, subsidies or other payments;
- b. specify the amount of the rebate, subsidy, stipend, or other payment;
- c. identify which party will have title to equipment (if any) purchased with a rebate or subsidy or other payment;
- d. specify any reporting required by the program beneficiary and the length of time for such reporting;
- e. establish source documentation requirements (e.g., invoices) for accounting records; and
- f. describe purchasing controls to ensure that the amount of the participant support cost is determined in a commercially reasonable manner as required by 2 CFR 200.404.

4. Recipient must obtain prior written approval from the EPA's Award Official if recipient wants to transfer funds budgeted for participant support costs to other budget categories. If the recipient's request would result in undermining the integrity of the competition this grant or cooperative agreement was awarded under, the EPA will not approve the request.

Rebates, subsidies, and similar one-time, lump-sum payments to program beneficiaries for the purchase of eligible emissions control technologies and vehicle replacements are eligible participant support costs under this award when the program participant rather than the recipient owns the equipment, per 2 CFR 1500.1(a)(1). Engine replacements, marine and locomotive shorepower projects, and most electrified parking space technology projects are not eligible as participant support costs. Rebates can only fund a participating fleet owner's equipment purchase and installation costs (i.e. parts and labor, including costs incurred to scrap the existing vehicle); if a participating fleet owner requires funding for project administration, travel, extensive design/engineering, construction, etc., in order to carry out the project a subaward is the more appropriate option. Questions regarding the use of rebates under this award should be directed to the EPA Project Officer. Rebates are not considered subawards/subgrants as defined in 2 CFR Part 200 and should not be treated as such under this award.

## P. SIGNAGE REQUIREMENTS

### 1. Investing in America Emblem

The recipient will ensure that a sign is placed at construction sites supported in whole or in part by this award displaying the official Investing in America emblem and must identify the project as a “project funded by President Biden's Inflation Reduction Act” as applicable. The sign must be placed at construction sites in an easily visible location that can be directly linked to the work taking place and must be maintained in good condition throughout the construction period.

The recipient will ensure compliance with the guidelines and design specifications provided by the EPA for using the official Investing in America emblem available at: <https://www.epa.gov/invest/investing-america-signage>

## 2. Procuring Signs

Consistent with section 6002 of RCRA, 42 U.S.C. 6962, and 2 CFR 200.323, recipients are encouraged to use recycled or recovered materials when procuring signs. Signage costs are considered an allowable cost under this assistance agreement provided that the costs associated with signage are reasonable. Additionally, to increase public awareness of projects serving communities where English is not the predominant language, recipients are encouraged to translate the language on signs (excluding the official Investing in America emblem or the EPA logo or seal) into the appropriate non-English language (s). The costs of such translation are allowable, provided the costs are reasonable.

## Q. USE OF LOGOS

If the EPA logo is appearing along with logos from other participating entities on websites, outreach materials, or reports, it must **not** be prominently displayed to imply that any of the recipient or subrecipient's activities are being conducted by the EPA. Instead, the EPA logo should be accompanied with a statement indicating that the The City of Austin received financial support from the EPA under an Assistance Agreement. More information is available at: <https://www.epa.gov/stylebook/using-epa-seal-and-logo#policy>

## R. Public or Media Events

The EPA encourages the recipient to notify the EPA Project Officer listed in this award document of public or media events publicizing the accomplishment of significant events related to construction projects as a result of this agreement and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.

## S. Competency of Organizations Generating Environmental Measurement Data

In accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements.

Recipient agrees, by entering into this agreement, that it has demonstrated competency prior to award, or alternatively, where a pre-award demonstration of competency is not practicable, Recipient agrees to demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipient shall maintain competency for the duration of the project period of this agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at <https://www.epa.gov/sites/production/files/2015-03/documents/competency-policy-aaia-new.pdf> or a copy may also be requested by contacting the EPA Project Officer for this award.

## T. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at <https://www.fgdc.gov/>.

## U. Health and Safety Plan

Before beginning field work, the recipient must have a health and safety plan in place providing for the protection of on-site personnel and area residents, unless specifically waived by the award official. This plan need not be submitted to the EPA but must be made available to the EPA upon request. The recipient's health and safety plan must comply with Occupational Safety and Health Administration (OSHA) 29 CFR 1910.120, entitled "Hazardous Waste Operations and Emergency Response."

## V. Foreign Entity of Concern

The recipient agrees to not directly transfer EPA funds through a subaward, contract, or participant support costs to a foreign entity of concern (FEOC). The EPA considers FEOCs to include foreign entities that are owned by, controlled by, or subject to the jurisdiction or direction of a government of a foreign country that is a covered nation as defined by Congress in Section 40207 of the Infrastructure Investment and Jobs Act. The EPA uses the proposed interpretive rule from the U.S. Department of Energy (DOE) to provide additional guidance in determining FEOCs. See 88 Fed. Reg. 84,082 (Dec. 4, 2023). If DOE finalizes an interpretive rule that differs in material respects from the proposal, the EPA may amend the award agreement accordingly.

Additionally, the recipient agrees to develop and implement internal controls that ensure EPA funds are not directly transferred to FEOCs, including through subawards, contractors, and participant support costs.

## W. EPASS Security

In accordance with Homeland Security Presidential Directive-12 (HSPD-12), "Policy for a Common Identification Standard of Federal Employees and Contractors;" Executive Order 13467, "Reforming Processes Related to Suitability for Government Employment, Fitness for Contractor Employees, and Eligibility for Access to Classified National Security Information;" and Executive Order 13488, "Granting Reciprocity on Excepted Service and Federal Contractor Employee Fitness and Reinvestigating Individuals in Positions of Public Trust," the recipient agrees to follow instructions from the EPA project officer to ensure compliance with the EPA Personnel Access and Security System (EPASS).

Prior to beginning work at an EPA facility, the recipient, or its employees or program participants, must complete either:

1. A favorable fingerprint check for recipients (and their employees or program participants) who require six (6) months or less of unescorted physical access to EPA facilities; or
2. A favorable background investigation and fingerprint check for recipients (and their employees or program participants) who require more than six (6) months of unescorted physical access to EPA facilities.

Recipients, their employees, or program participants may not be permitted access to EPA facilities until

meeting these requirements.

Recipients may initiate the appropriate check through the following link: <https://cdx.epa.gov>.

Failure of a recipient, their employees, or program participants to receive a favorable fingerprint or background check, whichever is applicable, shall result in the termination of the recipient, the employees, or program participants from continued enrollment in the program.

## **X. Historic Preservation**

### **National Historic Preservation Act (NHPA)**

Section 106 of the NHPA requires all federal agencies to consider the effects of their undertakings, including the act of awarding a grant or cooperative agreement, on historic properties, and to provide the Advisory Council on Historic Preservation (ACHP) a reasonable opportunity to comment on such undertakings. The recipient must assist the EPA Project Officer in complying with NHPA if any activities funded under this grant impact a historic property. Historic properties include: (a) land or buildings listed in or eligible for listing on the National Register of Historic Places; (b) archaeologically sensitive areas or in an area where traditional cultural properties are located; and (c) properties that are associated with significant historic events, are associated with significant people, embody distinctive characteristics, and contain important precontact information.

The recipient should work with their Project Officer to ensure that subrecipients are available to work with EPA on any required consultation process with the State or Tribal Historic Preservation Office prior to commencing the project to ensure compliance with Section 106 of the NHPA.

If NHPA compliance is required, necessary Section 106 consultation activities, such as historic or architectural surveys, structural engineering analysis of buildings, public meetings, and archival photographs, can be considered allowable and allocable grant costs.

### **Archeological and Historic Preservation Act (AHPA)**

This law applies if archeologically significant artifacts or similar items are discovered after an EPA-funded construction project has begun, and compliance may be coordinated with the NHPA, discussed above. The AHPA requires federal agencies to identify relics, specimens, and other forms of scientific, prehistorical, historical, or archaeological data that may be lost during the construction of federally-sponsored projects to ensure that these resources are not inadvertently transferred, sold, demolished or substantially altered, or allowed to deteriorate significantly. The recipient must ensure that subrecipients performing construction projects are aware of this requirement, and the recipient must notify EPA if the AHPA is triggered.

## **Y. Other Federal Requirements**

In addition to the statutes outlined in the Labor and Equitable Workforce Programmatic Term and Condition, Build America, Buy America Programmatic Act Term and Condition, Historic Preservation Programmatic Term and Condition, the recipient must comply with all federal cross-cutting requirements. These requirements include, but are not limited to:

- **Endangered Species Act, as specified in 50 CFR Part 402:** Non-Federal entities must identify any

impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that no adverse effects to a protected species or habitat occur from actions under Federal assistance awards and conduct the reviews required under the Endangered Species Act, as applicable.

- **Federal Funding Accountability and Transparency Act:** Recipients of financial assistance awards must comply with the requirements outlined in 2 CFR Part 170, *Reporting Subaward and Executive Compensation* and in the General Term and Condition “Reporting Subawards and Executive Compensation.”
- **Farmland Protection Policy Act:** This statute requires EPA to use criteria developed by the Natural Resources Conservation Service (NRCS) to identify the potential adverse effects of Federal programs on farmland and its conversion to nonagricultural uses, to mitigate these effects, and to ensure that programs are carried out in a manner that is compatible with the farmland preservation policies of state and local governments, and private organizations. Recipients may need to work with EPA or NRCS, as appropriate, to ensure compliance.
- **Coastal Zone Management Act:** Projects funded under federal financial assistance agreements must be consistent with a coastal State's approved management program for the coastal zone.

For additional information on cross-cutting requirements visit <https://www.epa.gov/grants/epa-subaward-cross-cutter-requirements>.

## EXHIBIT B – Scope of Projects and Services

CapMetro, a metropolitan transit agency, holds jurisdiction over the City of Austin public transit system and brings history of TDM planning and implementation. CapMetro will lead implementation of Task 1.2 and be a key supporter of Task 2.1, 2.2, 2.3, 2.5 & 3.1 as those will involve, in part, CapMetro facilities, services and systems. CapMetro manages the public transit systems of their respective jurisdictions and has collaborated extensively with the other partners.

On June 24, 2024 CapMetro signed a Memorandum of Agreement confirming its intent to support the City of Austin’s application for a regional Transportation Demand Management program under the Climate Pollution Reduction Grant (CPRG) Implementation Program, and committed in the grant application to collaboratively develop tailored transit service enhancements aimed at addressing short-term and long-term construction mitigation measures associated with impacted projects as part of the grant’s scoping and initiation process. For this ILA, a transit service enhancement is defined as additional trips on CapMetro Local/Rapid routes, which enable the agency to increase or maintain the frequency of service on those routes during construction, and/or an increase in the number of trips operated on CapMetro Express/Flyer routes, which provide more trip options for commuters during peak hours.

The scope of projects and services to be provided by CapMetro as part of the CPRG Program is varied and could include, but is not limited to, bus stop relocations, route changes, and service enhancements aimed at maintaining existing and attracting new transit riders by mitigating short-term construction impacts, while also addressing long-term transportation demand and system management needs.

| <b>Task Name</b> | <b>Description</b>   | <b>CapMetro Role</b> | <b>Deliverable</b>  | <b>Responsibility</b>   |
|------------------|--|----------------------|---|---|
| Task 1.2         | Increase or maintain the frequency of CapMetro service or number of CapMetro trips provided during peak times in the construction period | Implementor          | Provide service enhancements to its existing bus and pickup routes, adjacent to construction projects |   |
| Task 2.1         | Mobility hub amenity enhancement   | Support              |   | Includes CapMetro properties and will need to have the necessary allocations to install or maintain amenities   |
| Task 2.2         | Large-scale bicycle storage at mobility hubs and/or park and rides   | Support              |   | Includes CapMetro properties and will need to have the necessary allocations to install or maintain amenities<br><br>Includes CapMetro’s asset of the bicycle storage cages |
| Task 2.3         | Dynamic parking for parking spaces   | Support              |   | Includes CapMetro facilities of park and rides as well as monitoring amenities.   |

|          |  |         |  |   |
|----------|--|---------|--|---|
|          |  |         |  | <i>*A possibility of using existing equipment is an option and allocations should be allotted to CapMetro for investing in the appropriate systems to support the grant.</i>  |
| Task 2.5 | AQI data monitoring infrastructure   | Support |  | Includes 2-3 air quality sensors on mounted on Cap Metro busses (procurement and O&M to be managed by CAPCOG and City)  |
| Task 3.1 | Provide transportation wallets, subsidies, incentives, and rewards for commuters to take low-GHG trips in place of SOV trips | Support |  | CapMetro provides programs through its fare payment app to address components of the task, utilizing existing means within the software.<br><br><i>*If additional programs are sought after, allocations will need to be distributed to CapMetro for implementation of that effort.</i> |

| Year            | Task 1.2 Milestones (Implementor Role)   |
|-----------------|--|
| <b>1 (2025)</b> | Assessment of routes to receive enhanced service completed, in partnership with the community.                                       |
|                 | <i>Community engagement has begun and continues throughout year 1.</i>   |
| <b>2 (2026)</b> | CapMetro service enhancements begins, maintaining service through to the end of the grant.<br><i>Community engagement continues.</i> |
| <b>3 (2027)</b> | Enhanced services continue to operate.<br><i>Community engagement continues.</i>   |
| <b>4 (2028)</b> | Enhanced services continue to operate.<br><i>Community engagement continues.</i>   |
| <b>5 (2029)</b> | Enhanced services continue to operate.<br><i>Community Engagement continues.</i>   |
|                 | Measure close out is completed and final outputs and outcomes reported to the EPA.   |

**Overall Budget: Not to Exceed \$10,000,000**

The budget is necessary to improve the reliability and usability of the transit system to attract and retain new transit riders, key to the project’s GHG emissions reduction strategy. The budget is to support Measures 1, 2 and/or 3 as mutually agreed upon by both parties. Funding to cost up to \$10,000,000 over the five-year period. The City and CapMetro may negotiate and approve changes to the scope of services by written instrument which shall be an addendum to this agreement.

**MEMORANDUM OF AGREEMENT  
AMONG  
CAPITAL AREA COUNCIL OF GOVERNMENTS (“CAPCOG”), CAPITAL AREA RURAL  
TRANSPORTATION SYSTEM (CARTS), CAPITAL METROPOLITAN TRANSPORTATION  
AUTHORITY (“CAPMETRO”), CITY OF AUSTIN, MOVABILITY, AND THE TEXAS DEPARTMENT  
OF TRANSPORTATION (“TxDOT”)**

This Memorandum of Agreement (“MOA”) is made and entered into by and between the Capital Area Council of Governments (“CAPCOG”), Capital Area Rural Transportation System, Capital Metropolitan Transportation Authority (“CapMetro”), the City of Austin (“the City”), Movability, and Texas Department of Transportation (“TxDOT”), by and through the Austin District Office. Each agency is hereinafter referred to as a “Party” and collectively referred to as the “Parties.”

**WHEREAS**, approximately \$20B mobility and infrastructure construction projects are proposed in the next ten years, in Central Texas, and

**WHEREAS**, the purpose of this MOA is to establish agreement to support the development of a Central Texas Construction Partnership Program (CPP) to proactively minimize transportation construction impacts on travelers, residents, and businesses in Central Texas, and to enhance safety, mobility and public information in Central Texas during the construction, and

**WHEREAS**, the City of Austin Transportation and Public Works Department led a coalition of the Parties to apply for a Climate Pollution Reduction Grant (CPRG) for \$47,854,062 in funding for Transportation Demand Management infrastructure and programming to support the CPP on April 1, 2024.

**WHEREAS**, the Parties each provided a letter of intent as part of the grant application to sign a memorandum of agreement by July 1 to commit to implement their individual efforts if the CPRG application is awarded.

**WHEREAS**, the Parties each agree to the following roles, responsibilities, resources, and commitments each partner will provide to ensure project success.

**WHEREAS**, Capital Area Council of Governments (CAPCOG) brings history of regional transportation planning and institutional relationships. CAPCOG plays a lead role in implementing the region’s existing air quality monitoring program.

**WHEREAS**, CAPCOG committed in its letter of intent to *“support...the City of Austin’s application for a regional Transportation Demand Management (TDM) program under the Climate Pollution Reduction Grant (CPRG) Implementation Grant Program,”* and committed in the grant application to lead the implementation of additional air quality

monitors and air quality analysis in the region to help identify where additional TDM interventions are needed to support behavior change.

**WHEREAS**, Capital Area Rural Transportation System (CARTS) holds jurisdiction over regional public transit system connecting the surrounding region to Austin.

**WHEREAS**, CARTS committed in its letter of intent to *“Increase CARTS service frequency for regional commuters to Austin,”* and *“Offer Vanpools as an option for regional commuters within its district.”*

**WHEREAS**, CapMetro holds jurisdiction over the City of Austin public transit system and brings history of TDM planning and implementation.

**WHEREAS**, CapMetro committed in its letter of intent to *“collaboratively develop tailored transit service enhancements aimed at addressing short-term and long-term construction mitigation measures associated with impacted projects as part of the grant’s scoping and initiation process...in alignment with CapMetro’s 2024 Transit Service Plan, incorporating both interim and final recommendations...[and] considering final construction schedules, mitigation measures for the construction projects, and anticipating the cumulative impacts on those projects. The scope is expected to cover a range of measures, including stop relocation, route changes, and frequency enhancements aimed at mitigating short-term construction impacts, while also addressing long-term transportation demand and system management needs.”*

**WHEREAS**, the City is the grant’s lead applicant, lead partner, convenor, implementation lead, and funding/administrative lead. The City will bring expertise delivering and managing comparable efforts, institutional relationships, and financial reporting capacity.

**WHEREAS**, the City committed in the grant application to *“lead implementation of mobility infrastructure including: 48 mobility hubs, 16 large-scale bicycle storage at park and rides, dynamic parking for nearly 4,000 parking spaces, and expanding the bicycle and pedestrian counting network, and providing behavior change programming including: implementing transportation wallets, subsidies, incentives, and rewards for commuters to take low-GHG trips, implementing grassroots, community-based programming to develop personalized travel planning for hard-to-reach communities impacted by major construction projects, implementing a coordinated and holistic regional mobility platform for TDM, and executing a regional multilingual marketing and communications campaign.”*

**WHEREAS**, Movability is the grassroots campaign lead and brings on-the-ground connections and knowledge.

**WHEREAS**, Movability committed in its letter of commitment to *“assist in implementation of transportation wallets, subsidies, incentives, and rewards for commuters to take low-GHG trips in place of drive-alone trips,”* and *“assist in*

## Exhibit C

*implementation of grassroots, community-based programming to develop personalized travel planning for hard-to-reach communities impacted by major construction projects.”*

**WHEREAS**, Texas Department of Transportation (TxDOT) brings state-level TDM experience and regional planning capacity and plays a lead role in implementation of the planned construction projects.

**WHEREAS**, TxDOT committed in its letter of intent to *“Incorporation/layering of TDM program elements into the Central Texas region’s construction information one-stop shop app and website being developed by TxDOT.”*

**WHEREAS**, as the lead applicant, the City will be accountable to EPA and accepts full responsibility for effectively carrying out the full scope of work and the proper financial management of the grant.

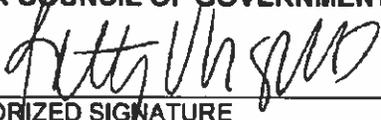
**WHEREAS**, parties who are grant subrecipients will be accountable to the lead applicant (the City) for proper use of EPA funding and successful project implementation.

**BE IT RESOLVED**, if awarded, the undersigned parties commit to implementing the CPRG as outlined in their letters of intent.

**Term.** This Memorandum shall become effective when fully executed by all parties. It shall remain in full force and effect if the CPRG is awarded until such time as the CPRG grant period is completed or it is terminated in writing by one or all of the parties.

**IN WITNESS THEREOF**, the parties hereto have caused this MOA to be duly executed in duplicate as of the date of the last signature written below.

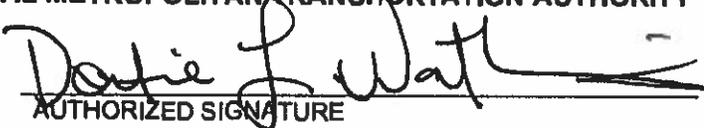
**CAPITAL AREA COUNCIL OF GOVERNMENTS**

By  Date 6/17/24  
AUTHORIZED SIGNATURE  
<Betty Voights, Executive Director>

**CAPITAL AREA RURAL TRANSPORTATION SYSTEM**

By  Date 5/28/24  
AUTHORIZED SIGNATURE  
<David Marsh, General Manager>

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**

By  Date 6/20/24  
AUTHORIZED SIGNATURE  
<Dottie Watkins, President and CEO>

**CITY OF AUSTIN**

By  Date 6-24-24  
AUTHORIZED SIGNATURE  
Richard Mendoza, P.E., Director, Transportation and Public Works Department

**MOVABILITY**

By  Date 5/29/24  
AUTHORIZED SIGNATURE  
Lonny Stern, Executive Director

**TEXAS DEPARTMENT OF TRANSPORTATION**

By  Date 6/19/2024  
AUTHORIZED SIGNATURE  
Tucker Ferguson, P.E. – District Engineer



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee  
**Agenda Date:** 5/7/2025

**Item #:** AI-2025-1486

---

FY2024 Annual External Audit Results



# Capital Metropolitan Transportation Authority

FY 2024 Audit Results  
Report to the Finance, Audit and Administration  
Committee

Date March 31, 2025



Finance, Audit and Administration Committee of  
Capital Metropolitan Transportation Authority

We are pleased to present this report related to our 2024 audit of Capital Metropolitan Transportation Authority's (the Authority) financial statements. Our report shares the results of our audit work as required by professional standards alongside other meaningful insights, which we believe will help you in executing your oversight responsibility for the Authority's financial reporting process.

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Authority.

# Table of contents

|   |    |
|---|----|
| <a href="#">Executive summary</a>   | 4  |
| <a href="#">Required communications</a>   | 5  |
| <a href="#">Independence</a>  | 11 |
| <a href="#">Appendices:</a>   |    |
| <a href="#">Appendix A—Significant written communications between management and our firm</a> | 13 |



# Executive summary

## Audit status

The September 30, 2024, financial statement audit is complete. We issued an unqualified opinion on the financial statements.

## Significant changes to the planned audit strategy

There were no significant changes to the planned audit strategy.

## Significant risks

We previously issued a separate communication dated December 9, 2024, regarding planned scope and timing and identified significant risks.

## Adoption of new accounting policy

In 2024, the Authority did not adopt new standards or related accounting policy.

## Audit adjustments or uncorrected misstatements

During our audit, we did not identify audit adjustments or uncorrected misstatements.

## Deficiencies in internal control

We did not identify a material weakness or significant deficiency that we are required to communicate

Understand the client

Risk assessment

Further audit procedures

Evaluation

Delivery

REQUIRED COMMUNICATIONS

# Accounting policies and practices

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

| Matter to Report                                   | Yes | No   |
|--|-----|--|
| Our responsibilities                               | ✓   | We described our responsibilities under auditing standards generally accepted in the United States of America in our engagement letter dated September 24, 2024. Our audit of the financial statements does not relieve management or you of your responsibilities, which are also described in that letter. |
| Planned scope and timing of the audit              | ✓   | We previously issued a separate communication dated December 9, 2024, regarding the planned scope and timing of our audit and identified significant risks. We did not make any changes to the planned scope and timing of the audit.  |
| <b>Accounting policies and practices</b>           |     |  |
| Preferability of accounting policies and practices | ✓   | Under accounting principles generally accepted in the United States of America management may select among alternative accounting practices in certain circumstances.<br><br>In our view, in such circumstances, management has selected the preferable accounting practice.                                 |
| Adoption of, or change in, accounting policies     | ✓   | Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority.<br><br>The Authority did not adopt any significant new accounting policies nor change any significant accounting policies during the current period.                                    |
| Significant accounting policies                    | ✓   | We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.   |
| Significant unusual transactions                   | ✓   | We did not identify any significant unusual transactions.  |

REQUIRED COMMUNICATIONS

# Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

## Fair value of investments

### Accounting policy

All non-negotiable certificates of deposits and fixed-rate time deposits are recorded at amortized cost. Investments and debt securities are recorded at fair value.

### Management’s estimation process

Investments are reflected based on closing bid prices as of the last business day of the month as supplied by third party data services provider. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. All non-negotiable fixed-rate time deposits are recorded at amortized cost .

### Basis for our conclusion on the reasonableness of the estimate

We tested the fair value of investments and concluded management’s estimate was reasonable.

## Net Pension liability

### Accounting policy

The Authority is the sponsor of two Single Employer Pension plans. The Authority measures its pension expense and net pension asset/liability based on approved demographic and economic assumptions approved by members of the Pension Committee. The measurement is used to record the pension expense, net pension asset/liability and related disclosures in its financial statements

### Management’s estimation process

The net pension liability and related expense were measured as of December 31, 2024. The calculation is prepared by an independent actuarial companies engaged by the Authority.

### Basis for our conclusion on the reasonableness of the estimate

We used our own actuarial specialist to review the related valuations and concluded management’s estimate was reasonable.

# Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

## Leases

### Accounting policy

The Authority recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease term unless the lease contract is considered a short-term lease.

As lessor, the Authority recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term

### Management’s estimation process

The lease liability/receivable is measured using the net present value of the future contract payments at inception, using the incremental borrowing rate

### Basis for our conclusion on the reasonableness of the estimate

We tested the value of the lease liability/receivable and concluded management’s estimate was reasonable.

## Subscription Based Information Technology Arrangements (SBITA)

### Accounting policy

The Authority recognizes a subscription liability and an intangible right to use subscription asset at the beginning of a SBITA term unless the SBITA contract is considered a short-term SBITA.

### Management’s estimation process

The subscription liability is measured using the net present value of the future contract payments at inception, using the incremental borrowing rate.

### Basis for our conclusion on the reasonableness of the estimate

We tested the value of the subscription liability and concluded management’s estimate was reasonable.

# Significant accounting estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

## Depreciable useful lives of capital assets

### Accounting policy

The depreciable life of property and equipment is set at the estimated useful life of the related asset.

### Management’s estimation process

The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.

### Basis for our conclusion on the reasonableness of the estimate

We tested the value of the related balances and concluded management’s estimate was reasonable.

## Accrued compensated absences

### Accounting policy

The Authority recognizes a liability for certain employee benefits including vacations, holidays, illness and certain other qualifying leave.

### Management’s estimation process

The Authority records a liability for unused vacation balances that are estimated to be used or paid out each fiscal year and is generally based on length of service. Substantially all employees are eligible to receive compensation for vacations, holidays, illness and certain other qualifying leave.

### Basis for our conclusion on the reasonableness of the estimate

We tested the value of the liability and concluded management’s estimate was reasonable.

# Audit adjustments and uncorrected misstatements

## Audit adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

## Uncorrected misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

# Observations about the audit process

| Matter to Report   | Yes | No   |
|--|-----|--|
| <b>Observations about the audit process</b>                  |     |  |
| Significant issues discussed with management                 | ✓   | No significant issues arising from the audit were discussed or the subject of correspondence with management.  |
| Disagreements with management                                | ✓   | There were no disagreements with management.   |
| Significant difficulties encountered in performing the audit | ✓   | We did not encounter any significant difficulties in dealing with management during the audit.   |
| Consultations with other accountants                         | ✓   | We are not aware of any consultations management had with other accountants about accounting or auditing matters.  |
| Significant matters that required consultation               | ✓   | We did not encounter any difficult or contentious matters that required consultation outside our engagement team and that are, in our professional judgment, significant and relevant to your responsibility to oversee the financial reporting process. |

# Independence

## Shared responsibilities for independence

Auditor independence is a **joint responsibility** and is managed most effectively when management, audit committees, and audit firms work together in considering compliance with AICPA and *Government Accountability Office (GAO)* independence rules. For RSM to fulfill its professional responsibility to maintain and monitor independence, management, the audit committee, and RSM each play an important role.

### Our responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. RSM is to ensure that AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

### The CapMetro's responsibilities

- Timely inform RSM, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Change in the reporting entity impacting affiliates as subsidiaries, partnerships related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the CapMetro and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RSM.
- Not entering into arrangements of nonaudit services resulting in RSM being involved in making management decision on behalf of CapMetro.
- Not entering into relationships resulting in close family members of RSM covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the CapMetro.

*Aaron*

One of the  
RSM team

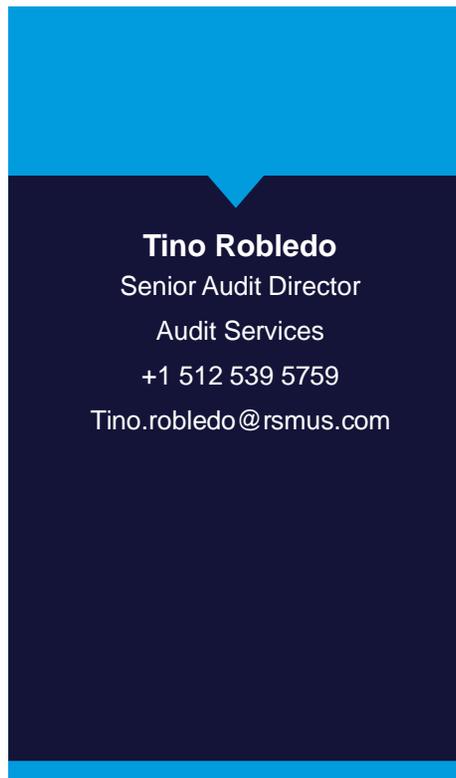


## Appendices

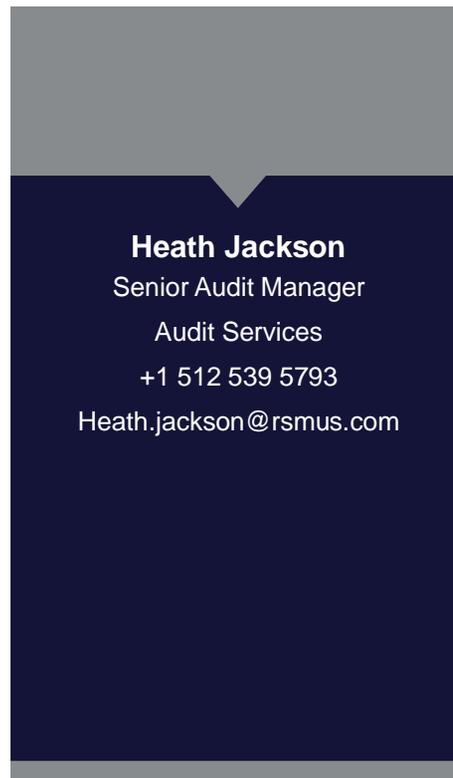
# Appendix A—Significant written communications between management and our firm

Significant written communications between our firm and the management of the Authority, included a representation letter provided to us by management as part of the audit.

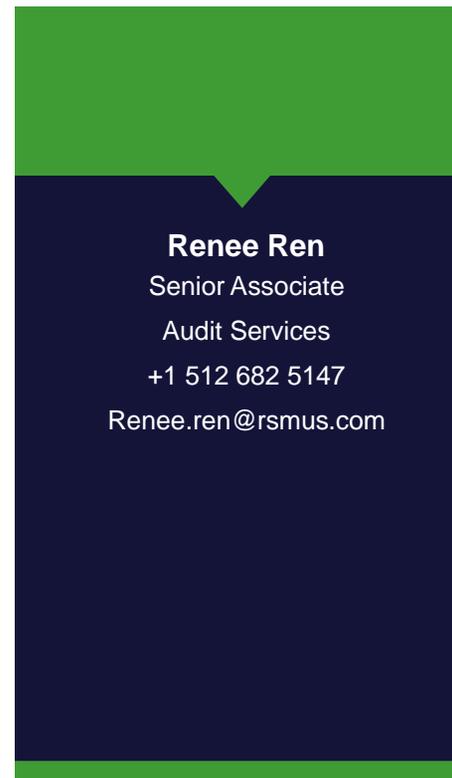
# RSM contacts



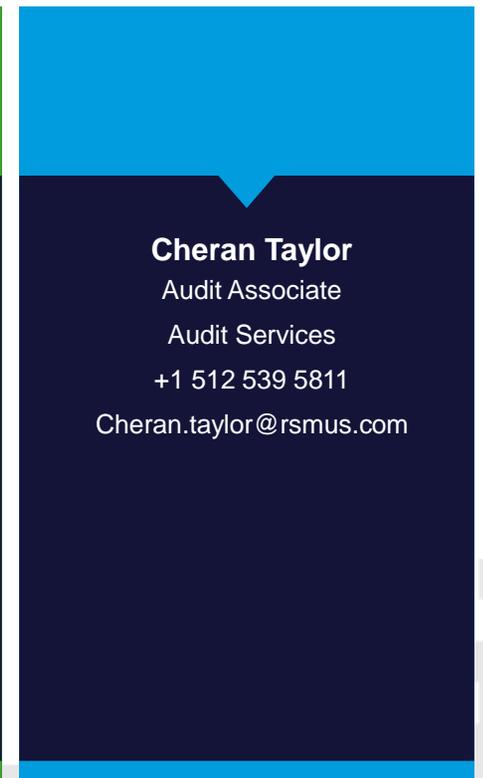
**Tino Robledo**  
Senior Audit Director  
Audit Services  
+1 512 539 5759  
Tino.robledo@rsmus.com



**Heath Jackson**  
Senior Audit Manager  
Audit Services  
+1 512 539 5793  
Heath.jackson@rsmus.com



**Renee Ren**  
Senior Associate  
Audit Services  
+1 512 682 5147  
Renee.ren@rsmus.com



**Cheran Taylor**  
Audit Associate  
Audit Services  
+1 512 539 5811  
Cheran.taylor@rsmus.com



**THE POWER OF BEING UNDERSTOOD**  
ASSURANCE | TAX | CONSULTING

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent assurance, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit [rsmus.com/about](https://rsmus.com/about) for more information regarding RSM US LLP and RSM International.

RSM, the RSM logo and *the power of being understood* are registered trademarks of RSM International Association.

© 2024 RSM US LLP. All Rights Reserved.



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee  
**Agenda Date:** 5/7/2025

**Item #:** AI-2025-1472

---

FY2025 Financial Report March 2025



# Financial Report – Fiscal Year 2025

---

Year to Date March 31, 2025

# Major Highlights

## Revenue

- Sales tax remittances received YTD February 2025 are 1.5% higher than YTD February 2024 and 1.5% lower than YTD budget

## Operating Expenses

- \$213.4 million expended to date, or 47.6% of full-year budget
- Professional services are below budget due to timing of consultation, software and professional fees

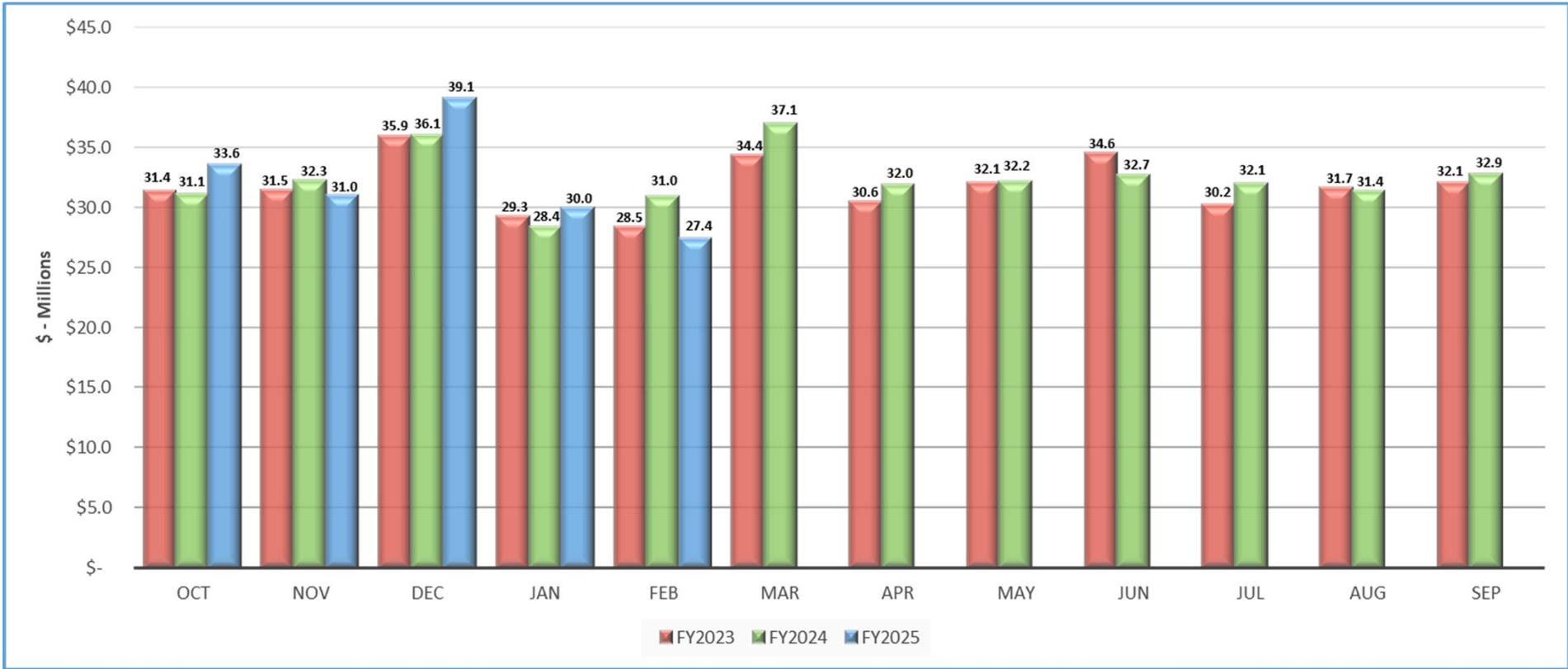
## Capital Projects

- FY2025 capital project budget of \$229.8 million
- \$62.1 million expended to date, or 27.0% of full-year budget
  - Electric Bus Replacements, CapMetro Rapid Lines, Paratransit Van Replacement, Bus Electrification Infrastructure and New Headquarters Build-out
- \$52.3 million outstanding commitments have been issued, or 22.8% of full-year budget
  - CapMetro Rapid Lines, Bus Electrification Infrastructure, New Headquarters Build-out and Double Tracking from Onion Street to East Timbes and Plaza Saltillo Station

# Revenue

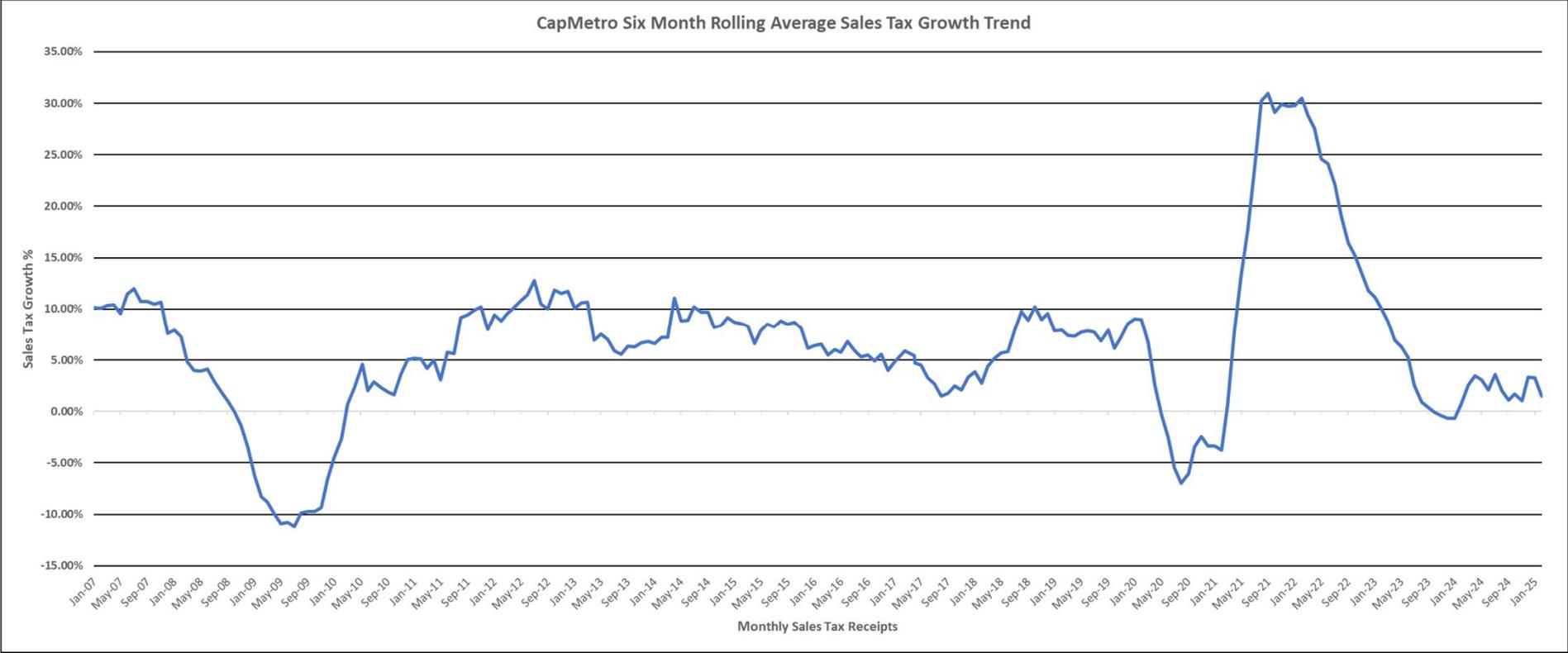
| \$' Million Category               | FY24 Mar YTD Actual | FY25 Mar YTD Actual | FY25 Mar YTD Budget | % of YTD Budget | FY25 Full Year Budget | % of Budget  | Comments   |
|------------------------------------|---------------------|---------------------|---------------------|-----------------|-----------------------|--------------|--|
| Sales Tax                          | \$194.8             | \$203.8             | \$201.8             | 101.0%          | \$402.8               | 50.6%        | February and March sales tax receipts accrued      |
| Passenger Revenue                  | 8.3                 | 8.0                 | 9.7                 | 83.0%           | 20.1                  | 40.0%        |  |
| Freight Railroad Revenue           | 3.6                 | 3.7                 | 3.3                 | 110.9%          | 6.7                   | 55.3%        |  |
| Other Revenue                      | 16.5                | 16.6                | 9.7                 | 170.8%          | 19.2                  | 86.3%        | Favorable investment income and gain on asset sale |
| Operating Contributions and Grants | 30.3                | 27.3                | 30.2                | 90.3%           | 64.8                  | 42.1%        |  |
| Capital Contributions and Grants   | 13.3                | 58.2                | 43.9                | 132.5%          | 87.9                  | 66.3%        |  |
| <b>Total</b>                       | <b>\$266.8</b>      | <b>\$317.6</b>      | <b>\$298.6</b>      | <b>106.4%</b>   | <b>\$601.3</b>        | <b>52.8%</b> |  |

# Actual Sales Tax Receipts



|              |          |          |          |
|--------------|----------|----------|----------|
| Total        | \$382.4M | \$389.1M | \$161.2M |
| YOY % Growth | 4.2%     | 1.7%     | 1.5%     |

# Sales Tax Rolling Average Trend



# Operating Expense

| \$' Million Category     | FY24 Mar YTD Actual | FY25 Mar YTD Actual | FY25 Mar YTD Budget | % of YTD Budget | FY25 Full Year Budget | % of Budget  | Comments  |
|--------------------------|---------------------|---------------------|---------------------|-----------------|-----------------------|--------------|---|
| Salaries and Benefits    | \$42.3              | \$45.3              | \$47.8              | 94.7%           | \$97.2                | 46.6%        |   |
| Professional Services    | 20.1                | 21.6                | 32.2                | 67.1%           | 60.6                  | 35.7%        | Timing of consultation, software and professional fees              |
| Materials and Supplies   | 9.8                 | 11.5                | 9.6                 | 120.1%          | 19.2                  | 59.8%        | Higher than budgeted spending for bus maintenance materials expense |
| Fuel and Fluids          | 7.2                 | 7.0                 | 7.5                 | 93.4%           | 15.1                  | 46.1%        |   |
| Utilities                | 2.0                 | 2.5                 | 4.2                 | 59.0%           | 8.3                   | 29.5%        | Electricity-propulsion power timing and savings                     |
| Insurance                | 1.0                 | 1.7                 | 1.6                 | 104.0%          | 2.0                   | 84.6%        | Timing of property insurance and vehicle liability premiums         |
| Purchased Transportation | 102.7               | 119.6               | 111.8               | 107.0%          | 228.8                 | 52.3%        |   |
| Lease/Rentals            | 2.9                 | 2.1                 | 3.5                 | 59.6%           | 6.2                   | 33.3%        | Delay in vehicle lease program                                      |
| Other Expenses           | 1.8                 | 2.2                 | 5.7                 | 39.0%           | 11.2                  | 19.9%        | Unspent contingency   |
| <b>Total</b>             | <b>\$190.0</b>      | <b>\$213.4</b>      | <b>\$223.8</b>      | <b>95.3%</b>    | <b>\$448.5</b>        | <b>47.6%</b> |   |

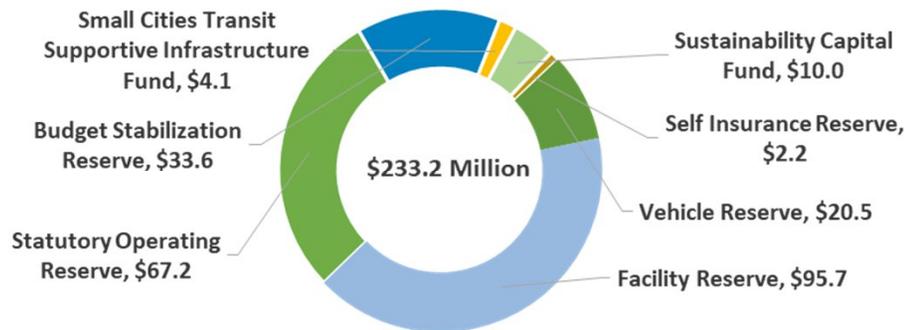
# Budget Transfers

Consistent with CapMetro's Financial Policies, there were seven budget transfers that cumulatively exceeded \$150,000 to report to the board for the 2nd quarter of FY2025.

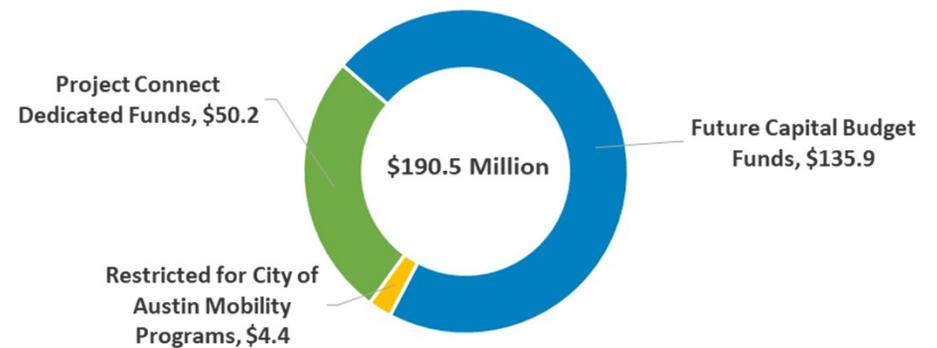
| January-25         |                            |  |                      |   |
|--------------------|----------------------------|--|----------------------|---|
| <b>Transfer #1</b> |                            |  |                      |   |
| <b>From:</b>       | 220-5090702<br>600-XOM2501 | Operating Contingency<br>APTA Mobility Conference and International Bus Roadeo | (350,000)<br>350,000 | Transferred funds from operating contingency for unbudgeted hosting of the American Public Transportation Association Mobility Conference and International Bus Roadeo.                                 |
| <b>January-25</b>  |                            |  |                      |   |
| <b>Transfer #2</b> |                            |  |                      |   |
| <b>From:</b>       | 220-5090702                | Operating Contingency  | (1,400,000)          | Transferred funds from operating contingency for marketing, community outreach and education, temporary staff for customer support and at-stop assistance for the new fare collection system (UMO App). |
| <b>To:</b>         | 330-XF12502                | UMO Implementation   | 800,000              |   |
|                    | 220-XF12502                | UMO Implementation   | 600,000              |   |
| <b>March-25</b>    |                            |  |                      |   |
| <b>Transfer #3</b> |                            |  |                      |   |
| <b>From:</b>       | SEC1801                    | Rail Signal House & Crossing Security Enhancements                             | (802,500)            | Returned funds to capital contingency for project carryover to fiscal year 2026.  |
| <b>To:</b>         | FIN0311                    | Capital Contingency  | 802,500              |   |
| <b>March-25</b>    |                            |  |                      |   |
| <b>Transfer #4</b> |                            |  |                      |   |
| <b>From:</b>       | PAM0241                    | 9315 Site Covered Storage & Track Extension East of Rail O&M Facility          | (1,018,310)          | Returned funds to capital contingency due to delay in permit approval and project carryover.  |
| <b>To:</b>         | FIN0311                    | Capital Contingency  | 1,018,310            |   |
| <b>March-25</b>    |                            |  |                      |   |
| <b>Transfer #5</b> |                            |  |                      |   |
| <b>From:</b>       | PAM0234                    | New Headquarters at 3100 E. 5th St.  | (14,400,000)         | Returned funds to capital contingency for the new headquarters buildout due lower phase 1 costs and delays in phase 2 now scheduled for fiscal year 2026.   |
| <b>To:</b>         | FIN0311                    | Capital Contingency  | 14,400,000           |   |
| <b>March-25</b>    |                            |  |                      |   |
| <b>Transfer #6</b> |                            |  |                      |   |
| <b>From:</b>       | FIN0311                    | Capital Contingency  | (1,355,033)          | Transferred funds from capital contingency for implementation of a single sign-on solution across CapMetro systems.   |
| <b>To:</b>         | ITS2109                    | Identity and Access Management   | 1,355,033            |   |
| <b>March-25</b>    |                            |  |                      |   |
| <b>Transfer #7</b> |                            |  |                      |   |
| <b>From:</b>       | PLN2114                    | MetroRapid Expo and PV Park and Rides and End of Line Charging                 | (15,878,141)         | Returned funds to capital contingency due to delays in Park and Ride projects.  |
| <b>To:</b>         | FIN0311                    | Capital Contingency  | 15,878,141           |   |

# Reserve, Allocated & Restricted Funds

## Reserve Funds



## Allocated & Restricted Funds



### Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board-approved funding formula. The statutory operating reserve equals 2 months of audited FY2023 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution was made in FY2018 to fully fund the budget stabilization reserve. The sustainability capital fund was established in FY2022 with \$10 million to support CapMetro's Sustainability Vision Plan. In March 2022, a regional partnership with small-member cities and a \$10 million Transit Supportive Infrastructure Fund was established. A \$100 million Facility Reserve and a \$50 million Vehicle Reserve were established in FY2025 as CapMetro addresses the largest needs of the agency.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2025 is \$229.8 million, with \$142.0 million funded by FY2025 income and \$87.9 million from capital contributions and grants. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The FY2025 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$335 thousand from projects in FY2024.

# Statement of Revenue, Expenses and Change in Net Position

| \$' Million                             | FY24 Mar<br>YTD Actual | FY25 Mar<br>YTD Actual | FY25 Mar<br>YTD Budget | FY25 Full Year<br>Budget | % of Budget  |
|---|------------------------|------------------------|------------------------|--------------------------|--------------|
| <i>Operating Revenue</i>                |                        |                        |                        |                          |              |
| Passenger Revenue                       | \$8.3                  | \$8.0                  | \$9.7                  | \$20.1                   | 40.0%        |
| Freight Railroad Revenue                | 3.6                    | 3.7                    | 3.3                    | 6.7                      | 55.3%        |
| Other Revenue                           | 3.7                    | 3.1                    | 2.2                    | 4.2                      | 74.3%        |
| <b>Total</b>                            | <b>15.6</b>            | <b>14.9</b>            | <b>15.2</b>            | <b>31.0</b>              | <b>48.0%</b> |
| <i>Operating Expenses</i>               |                        |                        |                        |                          |              |
| Salaries and Benefits                   | 42.3                   | 45.3                   | 47.8                   | 97.2                     | 46.6%        |
| Professional Services                   | 20.1                   | 21.6                   | 32.2                   | 60.6                     | 35.7%        |
| Fuel and Fluids                         | 7.2                    | 7.0                    | 7.5                    | 15.1                     | 46.1%        |
| Utilities                               | 2.0                    | 2.5                    | 4.2                    | 8.3                      | 29.5%        |
| Purchased Transportation                | 102.7                  | 119.6                  | 111.8                  | 228.8                    | 52.3%        |
| Other Expenses                          | 12.6                   | 15.4                   | 16.9                   | 32.4                     | 47.5%        |
| Lease/Rental                            | 2.9                    | 2.1                    | 3.5                    | 6.2                      | 33.3%        |
| Depreciation & Amortization             | 25.0                   | 27.6                   | 31.1                   | 62.2                     | 44.4%        |
| <b>Total</b>                            | <b>215.0</b>           | <b>241.0</b>           | <b>255.0</b>           | <b>510.7</b>             | <b>47.2%</b> |
| <i>Operating Income/Loss</i>            | <i>(199.4)</i>         | <i>(226.2)</i>         | <i>(239.7)</i>         | <i>(479.8)</i>           | <i>47.1%</i> |
| <i>Non-Operating Revenue/(Expenses)</i> |                        |                        |                        |                          |              |
| Sales Tax                               | 194.8                  | 203.8                  | 201.8                  | 402.8                    | 50.6%        |
| Investment Income                       | 12.7                   | 11.1                   | 7.5                    | 15.0                     | 74.0%        |
| Operating Contributions and Grants      | 30.3                   | 27.3                   | 30.2                   | 64.8                     | 42.1%        |
| Capital Contributions and Grants        | 13.3                   | 58.2                   | 43.9                   | 87.9                     | 66.3%        |
| Mobility Interlocal Agreements          | (1.8)                  | (1.8)                  | (2.4)                  | (5.2)                    | 35.6%        |
| Other                                   | .2                     | 2.4                    | -                      | -                        | 0.0%         |
| <i>Non-Operating Income/(Loss)</i>      | <i>249.4</i>           | <i>300.9</i>           | <i>281.0</i>           | <i>565.2</i>             | <i>53.2%</i> |
| <b>Change in Net Position</b>           | <b>\$50.0</b>          | <b>\$74.7</b>          | <b>\$41.3</b>          | <b>\$85.4</b>            | <b>87.5%</b> |

# Budget Variances by Department

| \$'000<br>Department                              | FY24 YTD<br>Actual | FY25 YTD<br>Actual | FY25 YTD<br>Revised Budget | YTD % of<br>Revised<br>Budget | YTD Budget<br>vs. Actual | FY25 Budget<br>Full Year | Comments  |
|---|--------------------|--------------------|----------------------------|-------------------------------|--------------------------|--------------------------|---|
| 100 - Non-Allocated Benefits                      | \$8,894            | \$10,384           | \$9,768                    | 106.3%                        | (\$616)                  | \$20,621                 | Timing of pension expenses  |
| 102 - Wellness Center                             | 138                | 160                | 197                        | 81.0%                         | 37                       | 396                      | Timing of pre-employment testing  |
| 103 - Child Care Center                           | 203                | 205                | 274                        | 74.9%                         | 69                       | 576                      | Stipend savings to budget   |
| 105 - Business Center                             | 115                | 168                | 190                        | 88.6%                         | 22                       | 380                      | Timing of service provider fees and equipment   |
| 110 - Executive Staff                             | 685                | 748                | 865                        | 86.5%                         | 117                      | 1,829                    |   |
| 118 - Government Affairs                          | 547                | 539                | 593                        | 91.0%                         | 54                       | 1,189                    | Vacancy savings   |
| 119 - Diversity, Equity, and Inclusion            | 431                | 379                | 506                        | 74.8%                         | 127                      | 1,043                    | Timing of advertising, sponsorships and professional fees   |
| 120 - Board Of Directors                          | 93                 | 90                 | 106                        | 84.8%                         | 16                       | 215                      |   |
| 125 - Internal Audit                              | 334                | 530                | 621                        | 85.3%                         | 91                       | 1,024                    | Vacancy and quadrennial performance audit services savings  |
| 130 - Organizational Strategy and Projects        | 831                | 1,119              | 1,097                      | 102.0%                        | (22)                     | 2,304                    |   |
| 140 - Safety                                      | 935                | 1,071              | 1,181                      | 90.7%                         | 110                      | 2,247                    | Timing of advertising and vacancy savings   |
| 141 - Public Safety and Emergency Management      | 4,034              | 3,849              | 4,345                      | 88.6%                         | 496                      | 8,650                    | Vacancy and APD officer shift savings and timing of security services                                 |
| 142 - Systemwide Accessibility                    | 248                | 142                | 300                        | 47.2%                         | 158                      | 516                      | Timing of professional fees   |
| 143 - Transit Police                              | 169                | 975                | 1,426                      | 68.4%                         | 451                      | 2,916                    | Vacancy savings   |
| 150 - Legal                                       | 683                | 521                | 838                        | 62.2%                         | 317                      | 1,680                    | Timing of legal services year-end accruals  |
| 220 - Finance                                     | 3,727              | 5,291              | 9,775                      | 54.1%                         | 4,484                    | 13,382                   | Unspent contingency and timing of fare collection system roll out                                     |
| 230 - Information Technology                      | 11,584             | 10,842             | 15,660                     | 69.2%                         | 4,818                    | 27,756                   | GASB 96 entry for expense reclass to balance sheet and timing of computer hardware and phone system   |
| 250 - Procurement                                 | 1,315              | 1,395              | 1,354                      | 103.1%                        | (41)                     | 2,726                    |   |
| 275 - Vanpool                                     | 1,189              | 1,569              | 1,777                      | 88.3%                         | 208                      | 3,543                    | Lower purchased transportation expenses due to higher mix of smaller vehicles                         |
| 320 - Strategic Planning and Development          | 2,208              | 2,697              | 4,344                      | 62.1%                         | 1,647                    | 8,215                    | Timing of 5&10-year long range plan, Orange & Blue and Crestview ETOD framework and grant preparation |
| 330 - Marketing and Communications                | 2,924              | 2,801              | 4,350                      | 64.4%                         | 1,549                    | 7,719                    | Timing of UMO roll out, Fall & Spring, special events and user experience testing                     |
| 331 - Community Engagement                        | 675                | 628                | 866                        | 72.5%                         | 238                      | 1,740                    | Timing of temporary help, special events, public involvement and pass distribution                    |
| 332 - Customer Care                               | 619                | 657                | 654                        | 100.5%                        | (3)                      | 1,328                    |   |
| 340 - People and Culture                          | 2,352              | 2,538              | 3,384                      | 75.0%                         | 846                      | 6,698                    | Vacancy savings and timing of professional services and recognition programs                          |
| 457 - Facilities Maintenance                      | 2,347              | 2,390              | 1,304                      | 183.3%                        | (1,086)                  | 2,648                    | Unbudgeted custodial and maintenance services   |
| 530 - Capital Design and Construction             | 1,613              | 637                | 770                        | 82.7%                         | 133                      | 1,526                    | Vacancy savings and timing of professional services   |
| 531 - Capital Construction, Engineering and Desi  | 122                | 168                | 502                        | 33.4%                         | 335                      | 966                      | Timing of consulting fees   |
| 532 - Power Systems                               | 240                | 262                | 1,061                      | 24.6%                         | 800                      | 2,122                    | Savings in consulting for utility strategy and timing of other consulting and professional fees       |
| 533 - Rolling Stock and Support Equipment         | 164                | 350                | 342                        | 102.2%                        | (7)                      | 704                      |   |
| 534 - Systems Engineering and Design              | 136                | 142                | 134                        | 106.1%                        | (8)                      | 259                      |   |
| 535 - Capital Construction and Facility Managemen | 0                  | 539                | 605                        | 89.0%                         | 66                       | 1,211                    | Vacancy savings   |
| 536 - Facility Design and Construction            | 0                  | 268                | 273                        | 98.0%                         | 6                        | 539                      |   |
| 540 - Facility Programming and Management         | 712                | 2,860              | 3,983                      | 71.8%                         | 1,123                    | 8,365                    | Timing of professional services   |

# Budget Variances by Department (continued)

| \$'000<br>Department                          | FY24 YTD<br>Actual | FY25 YTD<br>Actual | FY25 YTD<br>Revised Budget | YTD % of<br>Revised<br>Budget | YTD Budget<br>vs. Actual | FY25 Budget<br>Full Year | Comments  |
|---|--------------------|--------------------|----------------------------|-------------------------------|--------------------------|--------------------------|---|
| 542 - Freight Rail Management                 | 1,048              | 1,008              | 925                        | 108.9%                        | (83)                     | 1,961                    | Higher transit services expense offset by higher revenue        |
| 544 - Commuter Rail Operations                | 11,532             | 11,456             | 13,276                     | 86.3%                         | 1,820                    | 26,152                   | DMU overhaul postponed to next fiscal year                      |
| 550 - Real Estate and Facility Planning       | 2,417              | 1,454              | 2,720                      | 53.5%                         | 1,266                    | 5,159                    | GASB 87 entry for expense reclass to balance sheet              |
| 600 - Bus Operations and Maintenance          | 94,438             | 104,890            | 97,107                     | 108.0%                        | (7,783)                  | 195,010                  | Higher maintenance materials consumption and overtime pay       |
| 615 - Microtransit                            | 3,396              | 5,192              | 5,461                      | 95.1%                         | 269                      | 10,482                   | Lower purchased transportation and maintenance material expense |
| 616 - Bikeshare                               | 711                | 408                | 623                        | 65.6%                         | 214                      | 1,233                    | Lower purchased transportation and maintenance material expense |
| 620 - Demand Response Oversight               | 21,944             | 24,313             | 24,422                     | 99.6%                         | 109                      | 48,850                   |   |
| 640 - Demand Response Control and Call Center | 1,312              | 1,406              | 1,337                      | 105.2%                        | (70)                     | 2,688                    | Unbudgeted overtime expense                                     |
| 650 - Paratransit Eligibility                 | 653                | 537                | 763                        | 70.4%                         | 226                      | 1,532                    | Vacancy savings and timing of functional assessments            |
| 920 - Project Connect                         | 2,282              | 5,813              | 7,096                      | 81.9%                         | 1,283                    | 18,427                   |   |
| <b>Total</b>                                  | <b>189,996</b>     | <b>213,393</b>     | <b>227,178</b>             | <b>93.9%</b>                  | <b>13,785</b>            | <b>448,526</b>           |   |

# Capital Projects Summary

| \$'000<br>Project Category  | Expended        | Outstanding<br>Commitments | Original<br>Budget | Revised<br>Budget | Expended &<br>Committed as<br>% of Revised<br>Budget | Comments   |
|-----------------------------|-----------------|----------------------------|--------------------|-------------------|--|--|
| Commuter Rail               | \$1,147         | \$1,666                    | \$6,307            | \$6,307           | 44.6%  | Grade Crossing Signal Health Monitoring and SOGR for Rail Grade Crossings      |
| Vehicles                    | 32,016          | 3,825                      | 34,131             | 45,819            | 78.2%  | Electric Bus Replacements and Paratransit Van Replacements                     |
| Information Technology      | 2,565           | 4,057                      | 11,144             | 12,001            | 55.2%  | Customer Payment Systems and ePaper DMS for BRT & Rail Plus IDIQ               |
| Facilities                  | 7,815           | 16,695                     | 32,944             | 34,189            | 71.7%  | Bus Electrification Infrastructure and Bus Stop Street Furniture and Equipment |
| Freight Railroad            | 29              | 56                         | 0                  | 60                | 142.5%   | Bridge Replacement   |
| Property & Asset Management | 6,643           | 6,258                      | 55,350             | 27,716            | 46.5%  | 1705 Guadalupe Purchase and Build-Out and New Headquarters Build-out           |
| Contingency                 | 0               | \$0                        | 10,000             | 41,987            | 0.0%   | CapMetro Rapid Park & Rides and 3100 East Fifth return to contingency          |
| Project Connect             | 11,702          | 19,149                     | 68,445             | 51,046            | 60.4%  | CapMetro Rapid Lines, Park & Rides and End of Line Charging                    |
| Strategic Planning          | 40              | 478                        | 9,600              | 9,600             | 5.4%   | Broadmoor Rail Development   |
| Security                    | 100             | 121                        | 1,912              | 1,109             | 19.9%  | Vehicle Camera System  |
| <b>Total</b>                | <b>\$62,057</b> | <b>\$52,305</b>            | <b>\$229,834</b>   | <b>\$229,834</b>  | <b>49.8%</b>   |  |

*Outstanding commitments are for purchase orders that have been issued.*

CapMetro

Thank you!



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee  
**Agenda Date:** 5/7/2025

**Item #:** AI-2025-1456

---

FY2026 Proposed Budget Calendar

**CapMetro**

# FY2026 Budget Development Calendar

Board Committees 5/7/2025

# FY2026 Budget Development Calendar

- Feb 6 Operating and Capital Budget kick-off meeting with departments
- Apr 23 Capital and Operating Budget requests received from departments
- May 7 Board Committees review proposed budget calendar
- Jun 4 Initial review with Access Advisory Committee
- Jun 11 Initial review with Customer Satisfaction Advisory Committee
- Jun 23 Board of Directors initial review and discussion
- Jun 27 Initial review with Public Safety Advisory Committee
- Jul 16 Budget proposal presented to Board Committees
- Jul 28 Budget proposal presented to Board of Directors

# FY2026 Budget Community Engagement

- Aug 6 Presentation to Access Advisory Committee
- Aug 13 Update Board Committees
- Aug 13 Presentation to Customer Satisfaction Advisory Committee
- Aug 22 Presentation to Public Safety Advisory Committee
- Aug 22 Proposed budget document is published online
- Aug 25-29 Budget public outreach and webinar
- Sep 10 Update Board Committees
- Sep 10 Public hearing on proposed budget and capital improvement plan
- Sep 22 Board of Directors considers budget proposal for adoption

# FY2026 Budget Development Calendar

- Early Oct Approved budget is posted online
- Early Dec Approved budget document submitted for consideration by the Government Finance Officers Association –  
“Distinguished Budget Presentation” recognition

CapMetro

Thank you!



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee  
**Agenda Date:** 5/7/2025

**Item #:** AI-2025-1469

---

FY2025 Internal Audit Plan Status - May 2025

# FY25 INTERNAL AUDIT PLAN

## Department Scorecard

|    | Projects  | Status & % Complete | Additional Details  |
|----|---|---------------------|---------------------|
|    | <b><u>FAA COMMITTEE &amp; INTERNAL AUDIT CHARTER COMPLIANCE</u></b>   |                     |                     |
| 1  | Finance, Audit & Administration (FAA) Committee Meetings: 10/16; 11/13; 12/9; 1/15; 2/12; 3/12; 4/14; 5/7; 6/11; 7/16; 8/13; 9/10; 10/8 | In-Process          | Ongoing             |
| 2  | Semi-annual Implementation Status Report - November 2024  | Completed           | December            |
| 3  | Semi-annual Implementation Status Report - May 2025   | In-Process          | June                |
| 4  | FY2025 Risk Assessment & development of FY26 Audit Plan   |                     |                     |
|    |   |                     |                     |
|    |   |                     |                     |
|    |   |                     |                     |
|    | <b><u>FY25 Audit Assurance &amp; Advisory Projects</u></b>  |                     |                     |
| 1  | Keolis Payroll Pass Through Controls  | Ongoing Monitoring  |                     |
| 2  | MTM Payroll Pass Through Controls - New Contract in Demand Response   | Ongoing Monitoring  | UT Interns - Spring |
| 3  | Oracle Risk Mgt module - Analyze Oracle segregation of duties   | In-Process          |                     |
| 4  | Oracle Survey - User Satisfaction & Opportunities   |                     |                     |
| 5  | Capital Projects - Costs & Reporting Controls   |                     |                     |
| 6  | Police Dept Standup (Recordkeeping & Compliance Requirements)   | In-Process          | UT Interns - Spring |
| 7  | Inventory Controls (Fuel & Parts) & Utilities (Electricity) - Bus/Rail/DR/Facilities  | In-Process          | UT Interns - Spring |
| 8  | A/P Non-PO Payments (P-Cards & Check Requests) Controls   | Draft Report        | May                 |
| 9  | Brinks Contract and Outsourced Treasury Controls  |                     |                     |
| 10 | Keolis - Bus Maintenance & Training   |                     |                     |
| 11 | Automation of Bus Incidents/Accidents Reporting (TrackIt System)  |                     |                     |
| 12 | Safety Management System (SMS) - Management of Change   | Completed           | March               |
| 13 | Bus Charging Infrastructure & EV Program  | Draft Report        |                     |
| 14 | Bytemark & UMO Contract for e-Tickets & Collections - Administrative Fees   | In-Process          |                     |
| 15 | United Healthcare - Eligibility & Payment Support   | Draft Report        |                     |
| 16 | McKalla Station - Capital Project Controls  | Completed           | January             |
| 17 | CLS System for Right of Way Revenues (Permits, RWIC, Licenses)  | Completed           | February            |
| 18 | BikeShare Program - RACI Chart based upon ILA with City of Austin   | Draft RACI Chart    |                     |
| 19 | NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2024 baseline                                      |                     |                     |
| 20 | Annual Cybersecurity Review (Verizon)   |                     |                     |
| 21 | FTA Triennial Audit   | In-Process          | Onsite 6/2-6/6      |
| 22 | QAR (Quality Assessment Review) - IIA and GAS Standards   | In-Process          | May / June          |
| 23 | Quadrennial Performance Audit   | Completed           | February            |
|    |   |                     |                     |
|    |   |                     |                     |
|    | <b><u>CONTINGENT AUDIT PROJECTS - FY25</u></b>  |                     |                     |
| 1  | Lease Vehicle Program - non-Revenue Vehicles  |                     |                     |
| 2  | Microsoft Sharepoint & Active Directory   |                     |                     |
| 3  | Real Estate - Life Cycle Management & Controls  |                     |                     |
| 4  | Grant Reporting Process (Small Starts, Single Audit, Subrecipients)   |                     |                     |
| 5  | Board Policies/Goals - Monitoring & Reporting (e.g. OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)                             |                     |                     |
|    |   |                     |                     |
|    |   |                     |                     |
|    | <b><u>NEW PROJECTS ADDED TO FY25 AUDIT PLAN by Terry Follmer</u></b>  |                     |                     |
| 1  | Quadrennial Performance Report - Tracker until Completed  | In-Process          |                     |
| 2  |   |                     |                     |
| 3  |   |                     |                     |



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee

**Item #:** AI-2025-1474

**Agenda Date:** 5/7/2025

---

Internal Audit UT Intern Projects: Parts Controls (Cycle Counts); Police Department Record Keeping and Reporting Requirements; and MTM Payroll Controls

# CapMetro Internal Audit

## UT Intern Audit Projects Spring 2025:

**Parts Inventory Controls (Cycle Counts & Core Deposits)**

**MTM Payroll Controls**

**Police Department Compliance Requirements**

May 7<sup>th</sup>, 2025

# CapMetro – UT Audit Intern Program

- CapMetro joined UT Audit Intern Program in the Fall 2018 semester.
- UT's #1 ranked Masters of Professional Accounting has an Auditing II course that requires a volunteer internship with Austin based companies at 5 hours per week on assigned projects.
- Course Syllabus Objective: "...introduce students to the current scope of internal auditing that extends far beyond the traditional external audit attestation of financial statements."
- Audit project objectives and deliverables are identified and set at the beginning of the project in the planning stage.
- The audit projects require a combination of auditing skills, business acumen, and consulting capabilities.
- UT Audit Interns work under the guidance of CapMetro's Chief Audit Executive (CAE) and audit staff.

# Deliverables from UT Interns

|  | Process Review                      | Flowcharting                        | Contract/Policy Review              | Invoice Testing          | Presentation with Recommendations   |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Inventory Controls (Parts)                       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>MTM Payroll Controls</b>                      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| <b>Police Department Compliance Requirements</b> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

# Questionnaire Benchmark

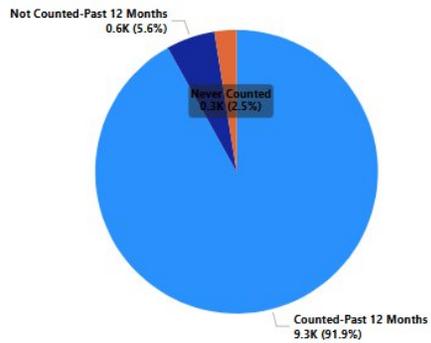
| No. | Questions  | Buses - Keolis  | Facilities - Keolis | Demand Response - MTM   | Rail - Herzog   |
|-----|--|---|---------------------|---|---|
| 13  | Do you perform cycle counts of spare parts?                                  | Yes, performed continuously   | No                  | Not currently (expected in about a year)                        | No  |
| 14  | Do you have written Procedures for Cycle Counts?                             | Yes.  | No                  | Yes, SOPs provided  | No  |
| 15  | If cycle counts are performed, what is the goal?                             | 1.6 times per year  | -                   | 1.6 times per year  | N/A   |
| 17  | Are 'blind' counts used when performing cycle counts?                        | Yes   | No                  | Yes   | N/A   |
| 23  | What are some of the common reasons for differences in counts?               | Receiving errors, misplaced, incorrect parts handling-unrecorded transfers, | Not specified       | Received incorrectly, put in wrong bin, parts confused          | N/A   |
| 25  | When is the next scheduled cycle count?                                      | Scheduled weekly  | Not known           | Not scheduled yet   | N/A   |
| 37  | What controls are in place to prevent Out of Stock situations?               | Min/max adjustments based on lead times                                     | Not specified       | Min/max, advance planning                                       | No formal controls in place to prevent out-of-stock situations.                     |
| 40  | Can spare parts be issued without a Hexagon work order?                      | Yes, issued to individuals without work order                               | Yes                 | Yes, with a dollar limit (approx. \$200-\$500)                  | No, spare parts cannot be issued without a Hexagon work order.                      |
| 42  | Is there a Monthly Reconciliation of Oracle to Hexagon?                      | Liana sends a report to accounting every month                              | Not known           | No, systems are not integrated (manual monthly journal entries) | Follow up with Accounting   |
| 43  | Have there been any historical issues with spare parts inventory management? | No.   | Not known           | Not aware. Previously under MTM                                 | Yes, historical issues include out-of-stock situations and managing obsolete parts. |

# Data Analytics Parts Cycle Counts Comparison Overview as April 2025 (From Oct 2022 to April 2025)

## CapMetro

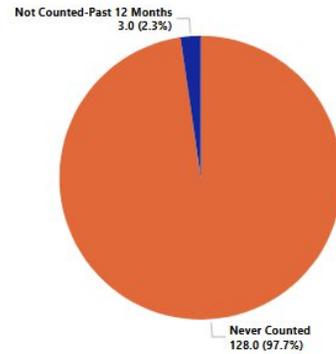
### Bus

Value **\$8M** SKU **10172**



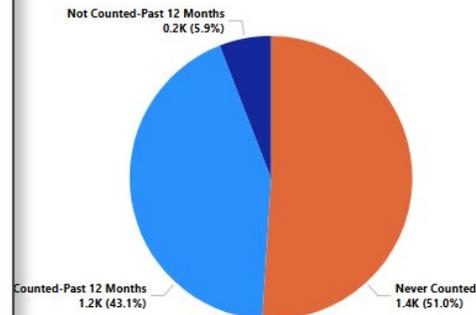
### Bus Stops

Value **\$3M** SKU **131**



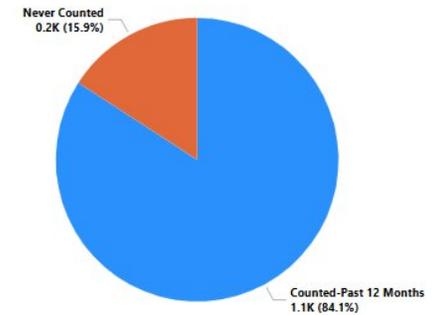
### Facility

Value **\$509K** SKU **2743**



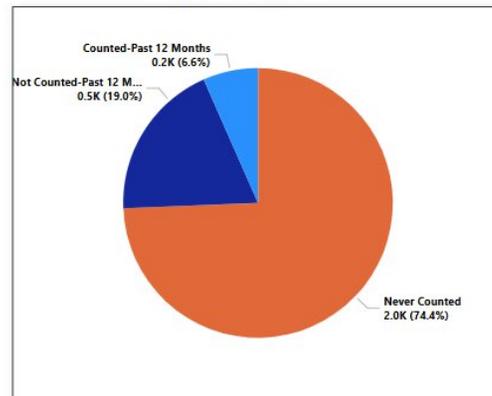
### DR

Value **\$464K** SKU **1323**



### Herzog Rail

Value **\$9M** SKU **2699**



- Never Counted
- Not Counted-Past 12 Months
- Counted-Past 12 Months

**900 days was chosen to reflect long-term stock trends**  
**Data filtered to include only records where quantity on hand is available**

## Parts Cycle Counts Results – All Locations Summary

| Location     | Type       | Number of SKUs w/ Difference | Total Quantity EAM | Total Quantity Count | Percentage of Quantity Difference | Value Discrepancy |
|--------------|------------|------------------------------|--------------------|----------------------|-----------------------------------|-------------------|
| 2910         | Bus        | 8 out of 20                  | 155                | 144                  | -7.1%                             | -\$6,796          |
| 2910         | Facilities | 4 out of 20                  | 104                | 88                   | -15.4%                            | -\$1,139          |
| 509          | DR         | 8 out of 20                  | 143                | 87                   | -39.2%                            | -\$9,046          |
| 9315         | Bus        | 9 out of 20                  | 471                | 287                  | -39.1%                            | -\$71,519         |
| 9315         | G1- Rail   | 6 out of 11                  | 48                 | 40                   | -16.7%                            | *missing report   |
| 9315         | G4- Rail   | 6 out of 10                  | 69                 | 29                   | -58.0%                            | *missing report   |
| <b>TOTAL</b> |            | <b>41 out of 101</b>         | <b>990</b>         | <b>675</b>           | <b>-29.2%</b>                     | <b>-\$88,500*</b> |

# Parts Inventory - Physical Inventory vs Cycle Counts

## Observations/Findings:

- 1) Peer transit agencies rely primarily on cycle counts, and conduct full physical inventories only during major system changes.
- 2) CapMetro is considering stratification of parts based on criticality and risk which we support.
- 3) Bus Stop parts (valued at \$3M and 131 SKU's) are not being counted.
- 4) Rail cycle counts by Herzog have not been occurring.
- 5) Herzog is not fully utilizing the Hexagon system for PO/receiving which impacts unit costs which have not been adjusted for 2.5+ years.

## Recommendations:

- Expand Bus SOPs to all lines (Bus, Rail, DR).
- Stratify parts for higher-risk items for more frequent cycle counts.
- Evaluate Bus Stop parts to determine best way to manage the assets.
- Ensure Herzog conducts counts and enters results into Hexagon.
- Analyze and normalize Rail parts unit pricing, and ensure Herzog is entering PO/receiving info into Hexagon going forward.

# Core deposits - overview

**Core:** are refundable deposits applied when purchasing certain parts (e.g., alternators, batteries, turbos). When the used part (the "core") is returned to the vendor, credit is issued. If the core is not returned, the charge is treated as an expense.

## Process Overview (Parts with Core Charges):

### ❑ Need Identification & PO Creation

- Maintenance request part (e.g., battery, alternator).
- Buyer creates PO with separate lines for the main part and any core charge (though practices vary).

### ❑ Receiving & Inventory

- On receipt, a "core-eligible" part is tagged with a green sticker (PO/vendor info).
- Core charge lines often aren't received in the system (no quantity/item setup).

### ❑ Issuing & Core Return

- Part is issued to maintenance; used core is returned to the storeroom.
- Clerks segregate returned cores by vendor and store them until enough accumulate.

### ❑ Vendor Pickup & Credit

- When ready, returned cores are shipped back to the vendor (no formal system record).
- Vendor may issue a credit memo; accounting entries and GL treatment are inconsistent.



# Core Deposits on Parts

## Observations/Findings

- 1) There is no formal list of vendors and parts that are in the Core Deposits Program.
- 2) Written Policy/Procedures/SOP's have not been defined for Core Deposits.
- 3) At the time of our review, accounting entries were being made to four different accounts. Recently management has decided to use only one account [5049974 - Core Deposit Credit] going forward.
- 4) Some transit agencies (e.g. LA Metro; Houston Metro; etc.) do not have a core deposit program.

## Recommendations:

- Develop and maintain a master list of all parts and vendors that are in the Core Deposit program.
- Establish standardized SOPs across Procurement Buyers, AP, and Maintenance for handling core parts.
- Assign centralized ownership and clear processes for managing core deposits, returns and vendor credit reconciliation.
- Develop Core Deposit goals and criteria to determine whether a vendor/part is suitable to be in the program.

# MTM Payroll Controls Project

## ▪ Objectives:

- Flowchart the processes used by MTM for Payroll & Invoicing.
- Analyze payroll internal control for both MTM and CapMetro related to payroll processing
- Identify concerns in MTM's payroll processes and areas for enhancements of their internal controls.

## ▪ Scope:

- Review of MTM contract, CBA between MTM and worker's union, 2025 MTM Invoices which are in Excel, creation of [MTM payroll flowcharts](#) to reflect their processes and systems, review the MTM's written payroll procedures.

# Overview - Contract Invoice

- Fixed Fee **\$713k** (18.2%)
- Pass Through Cost (payroll, benefit) **\$3.09 million** (78.85%)
- Maintenance & Other Pass-through (based on actuals) **\$115K** (2.95%)
- **Proper control** over payroll system & processes is **material**

| TOTAL COST SUMMARY                    |                        |             |                 |                        |
|---------------------------------------|------------------------|-------------|-----------------|------------------------|
| DESCRIPTION                           | BID RATE               | BUDGETED    |                 | Invoice Amount         |
| Fixed Costs                           | \$ 713,099.90          |             |                 | \$ 713,099.91          |
| Pass through payroll costs            | \$ 2,636,803.02        |             |                 | \$ 2,269,864.34        |
| Benefits pass through                 | \$ 923,285.32          |             |                 | \$ 819,760.55          |
| Labor arbitration & other labor costs | \$ 5,696.14            |             |                 | \$ 1,797.46            |
| Maintenance & Related Pass Through    | \$ 53,555.83           |             |                 | \$ 41,333.58           |
| Other Passthrough                     |                        |             |                 | \$ 71,303.72           |
| Total Incentives / Disincentives      |                        |             |                 | \$ 1,000.00            |
|                                       | <b>\$ 4,332,440.22</b> | <b>\$ -</b> | <b>SUBTOTAL</b> | <b>\$ 3,918,759.56</b> |

| KEY METRIC SUMMARY              |          |          |             |                |
|---------------------------------|----------|----------|-------------|----------------|
| DESCRIPTION                     | BID RATE | BUDGETED | Hrs / Total | Invoice Amount |
| METRO ACCESS SERVICE HOURS      | 32,000   | 32,000   | 76%         | 36,632         |
| PICKUP SERVICE HOURS            | 9,167    | 6,104    | 17%         | 8,364          |
| ATP PICKUP SERVICE HOURS        |          | 4,404    | 7%          | 3,447          |
| TOTAL SERVICE HOURS             | 41,167   |          |             | 48,443         |
| TOTAL PAYROLL PASSTHROUGH HOURS | 79,907   |          |             | 82,783         |
| METRO ACCESS OTP                |          |          |             | 95.37%         |
| PICKUP OTP                      |          |          |             | 0.00%          |
| PICKUP ATP OTP                  |          |          |             | 0.00%          |
| PREVENTABLE ACCIDENT RATE       | 1.70     |          |             | 1.54           |
| TOTAL PASSTHROUGH EMPLOYEES     | 461      |          |             | 483            |
| TOTAL COST PER SERVICE HOUR     | \$ 87.92 |          |             | \$ 80.88       |

# Manual Time Sheet Examples

**MTM | Transit**

**DAILY DRIVERS' MANIFEST COVER SHEET**

Employee Name: \*Collier, Chrystal Date: 01/05/25  
 Employee ID: 9145 Co-Driver / Cadet:  
 Bus Number: 634 Route: 501-041

MANIFEST TIME: To be completed only when performing a route

|                             | TIME  | MILEAGE |
|-----------------------------|-------|---------|
| Clock-In:                   | 9:00  | 16755   |
| Leave Yard:                 |       | 16755   |
| 1 <sup>st</sup> P/U Arrive: | 9:38  | 16759   |
| Last D/O Depart:            | 18:44 | 18865   |
| Return to Yard:             | 19:00 | 16873   |
| Clock-Out:                  | 19:02 | 16873   |
| Run End Time:               | 19:00 | 16873   |

NOTE: All fields in this section must be completed before submitting to Dispatch at Clock-Out. Also, please submit all DVIs, Add-On Sheets, Fare Vouchers, Keys and any other equipment to Dispatch at Clock-Out.

NON-MANIFEST TIME: Comments and Required Explanations

PRE-TRIP EXPLANATION (Required every time you clock-in more than 15 minutes before you leave the yard):

POST-TRIP EXPLANATION (Required every time you clock-out more than 7 minutes after you arrive at the yard):

ADDITIONAL COMMENTS:

NON-REVENUE TIME REQUEST FORM must be completed for all work performed during Non-Manifest Time if not indicated above.

By signing this timesheet, I certify that the dates, times and hours worked above accurately reflect all hours that I have worked during the time period covered by this coversheet. Also, I understand that if I have questions about payroll practices, I should contact my supervisor and call (512) 813-5123.

REMINDED: Please return COVERSHEET to DISPATCH at the end of your shift!

Employee Signature: *[Signature]* Date: 01/05/25

Copyright © 2021  
 CapMetro, a subsidiary of  
 The City of Austin, Texas

This document is non-proprietary and may be revised at the discretion of the company.

## Operator/Driver Manifest

**MTM Transit South Base**

Date: 12/29/2024  
 Day: Sunday

| Name               | Position   | Date: 12/29/2024 |          |           |           |           |          |           |           | OT Hours | Employee Initials | Supervisor Initials | Supervisor Signature      |
|--------------------|------------|------------------|----------|-----------|-----------|-----------|----------|-----------|-----------|----------|-------------------|---------------------|---------------------------|
|                    |            | Scheduled        | Actual   | Scheduled | Actual    | Scheduled | Actual   | Scheduled | Actual    |          |                   |                     |                           |
|                    |            | Clock-In         | Clock-In | Lunch-Out | Lunch-Out | Lunch-In  | Lunch-In | Clock-Out | Clock-Out | Allowed  |                   |                     | (No OT Unless Authorized) |
| Frances Moreno     | Utility    | 05:00            |          | 09:00     |           | 09:30     |          | 13:30     |           |          |                   |                     |                           |
| Corey Williams     | Utility    | 10:00            |          | 14:00     |           | 14:30     |          | 18:30     |           |          |                   |                     |                           |
| Sergio Galvan      | Utility    | 18:00            | 16:00    | 22:00     | 22:00     | 22:30     | 22:30    | 02:30     | 02:30     |          | ST                |                     |                           |
| Carl Higgins       | Utility    | 18:00            |          | 22:00     |           | 22:30     |          | 02:30     |           |          |                   |                     |                           |
| Isaac Jackson      | Utility    | 18:00            |          | 22:00     |           | 22:30     |          | 02:30     |           |          |                   |                     |                           |
| Leodis Lewis       | Utility    | 18:00            |          | 22:00     |           | 22:30     |          | 02:30     |           |          |                   |                     |                           |
| Andres Castro      | Utility    | 18:00            | 14:00    | 22:00     | 22:00     | 22:30     | 22:30    | 02:30     | 2:30      |          | AC                |                     |                           |
| Hared Nino         | Utility    | 14:00            | 14:00    | 18:00     | 19:00     | 18:30     | 19:30    | 22:30     | 23:30     |          | JW                |                     |                           |
| Jamie Sanchez      | Utility    | 18:00            | 16:00    | 22:00     | 22:00     | 22:30     | 22:30    | 02:30     | 2:30      |          | JJ                |                     |                           |
| Luis Santiago      | Utility    | 18:00            |          | 22:00     |           | 22:30     |          | 02:30     |           |          |                   |                     |                           |
| Stephanie Castillo | Utility    | 18:00            |          | 22:00     |           | 22:30     |          | 02:30     |           |          |                   |                     |                           |
| Lisa Fredette      | Parts      | 07:00            |          | 11:00     |           | 11:30     |          | 15:30     |           |          |                   |                     |                           |
| Victor Ibarra      | Foreman    | 19:00            |          | 23:00     |           | 23:30     |          | 05:30     |           |          |                   |                     |                           |
| Jonathan Carreon   | Foreman    | 11:00            | 11:00    | 16:00     | 16:00     | 16:30     | 16:30    | 21:30     | 21:30     |          |                   |                     |                           |
| Matthew Birkinbine | Foreman    | 06:00            |          | 10:00     |           | 10:30     |          | 14:30     |           |          |                   |                     |                           |
| Christian Currier  | Facilities | 6:00             |          | 10:00     |           | 10:30     |          | 14:30     |           |          |                   |                     |                           |
| Luis Lopez         | Facilities | 14:00            |          | 10:00     |           | 10:30     |          | 14:30     |           |          |                   |                     |                           |

Manager Approving Times: \_\_\_\_\_

By initialing this attendance form, I certify that these times are accurate. I understand that if I have questions or concerns about payroll practices I can contact my supervisor and contact \_\_\_\_\_

## Southbase Group Maintenance TimeSheet

- Operator time and attendance data is manually collected daily.
  - This data then is manual inputted into workday
  - Daily driver manifests are used by both Northbase and Southbase locations
- Mechanic time
  - Southbase mechanics fill in daily Group Maintenance timesheets
  - Northbase mechanics enter clock-in/clock-out time into Workday themselves



# Extraboard Time Sheet Example



Date: 01/03/25

Ready Relief Sheet

Clock IN Time: 4:00 Clock OUT Time: 5:00

Route Start Time: 5:00

Work Assignment: PUS01

Driver Name: Dalontia Carothers

Driver Signature: [Signature]

Dispatcher/ Manager Sign Off: [Signature]

**Note:** Any time over 2 hour must be signed off by a manager. If there is no signature on the sign off line the time will not be given.



**PICK UP COVER SHEET**  
MUST BE FILLED OUT

EXBD

Date: 1/3/25 Driver Name: Dalontia Carothers Zone: LEANDER

BTW TRAINEE: \_\_\_\_\_ Start Shift Time In Zone: 6:00

Route Number: 501 End Shift In Zone: 12:15

Tablet Number: \_\_\_\_\_ Terminal Location: \_\_\_\_\_

Clock IN Time: \_\_\_\_\_ Vehicle Number: \_\_\_\_\_

|                         |              |      |                    |
|-------------------------|--------------|------|--------------------|
| Leave Yard Odometer     | <u>48395</u> | Time | <u>5:00</u>        |
| Terminal Odometer       | <u>48419</u> | Time | <u>5:15 - 5:17</u> |
| Leaving Zone Odometer   | <u>48407</u> | Time | <u>5:55</u>        |
| Return To Yard Odometer | <u>48489</u> | Time | <u>12:15</u>       |
| Clock Out Time          |              | Time | <u>1:15</u>        |

Additional Comments: Late Pullout, Late to Zone, Late from Break, ETC

Bring Route @ 501

Please do not forget to do your radio check\*\*

Driver Signature: [Signature] Date: 1/3/25

Dispatcher Signature: [Signature] Date: 1/3/25

\*Reminder, break times are limited to 15 minutes and subject to approval from Dispatcher.\*

## Additional Complexities for Extraboard

- Must first clock-in/out of Extraboard before clocking-in/out for normal operator shift
- Extraboard employees get paid a premium rate (\$1.50 more on weekdays, \$2 more on weekends)
- Extraboard employee receives a minimum of 2 hours pay at the regular straight time hourly rate
- Extraboard Operators who fulfill all their assignments shall be guaranteed forty (40) hours pay per week.

# Flowchart and Time Sheet Takeaways

- Operators - North and Southbase use manual clock-in/out timesheets and manifests
  - Majority of MTM workforce
  - Dispatch provides a pre-printed scheduled time that employees can seemingly write over
  - Daily timesheets must be manually keyed into Workday payroll system.
- Mechanics – T&A processes differ between locations
  - Southbase daily group timesheets, which must be keyed into Workday system.
    - Northbase automated time and attendance through Workday
- Lack of supervision and accountability
  - Manual time sheets - missing signatures by employees, supervisors, and managers
  - This has been communicated to the Demand Response team and they have communicated these concerns with MTM management
- Workday does not calculate overtime automatically.

# Action Items Already Underway

## **In Progress**

- Spot Audits of invoice/payroll materials being submitted
- Audit List Review (control process that reviews items of selected employees)
- Comprehensive Workday Report that captures time/pay information
  - This will be used to recreate time sheets
- Discussions with DR contract team to get MTM to provide data to substantiate enrollment by healthcare plan tier
- Provide detailed payroll information (bi-weekly) & related sheets:
  - PTO/Accruals
  - Mapping of Job Titles

# Police Department Compliance Requirements Project

## Scope:

- Understand new police department structure & reporting lines
- Research federal, state, and local law enforcement requirements

## Objectives:

- ∅ Identify the recordkeeping, reporting & compliance requirements for CapMetro's Police Department
- ∅ Assess the department's compliance with said requirements
- ∅ Analyze OrbCAD and Trackit incident/accident data
- ∅ Recommendations to both CapMetro and the CapMetro Police Department
- ∅ Recommendations to improve accident/incident data in OrbCAD and TrackIt

# Reporting Structure

## Right Side: Professional Organization

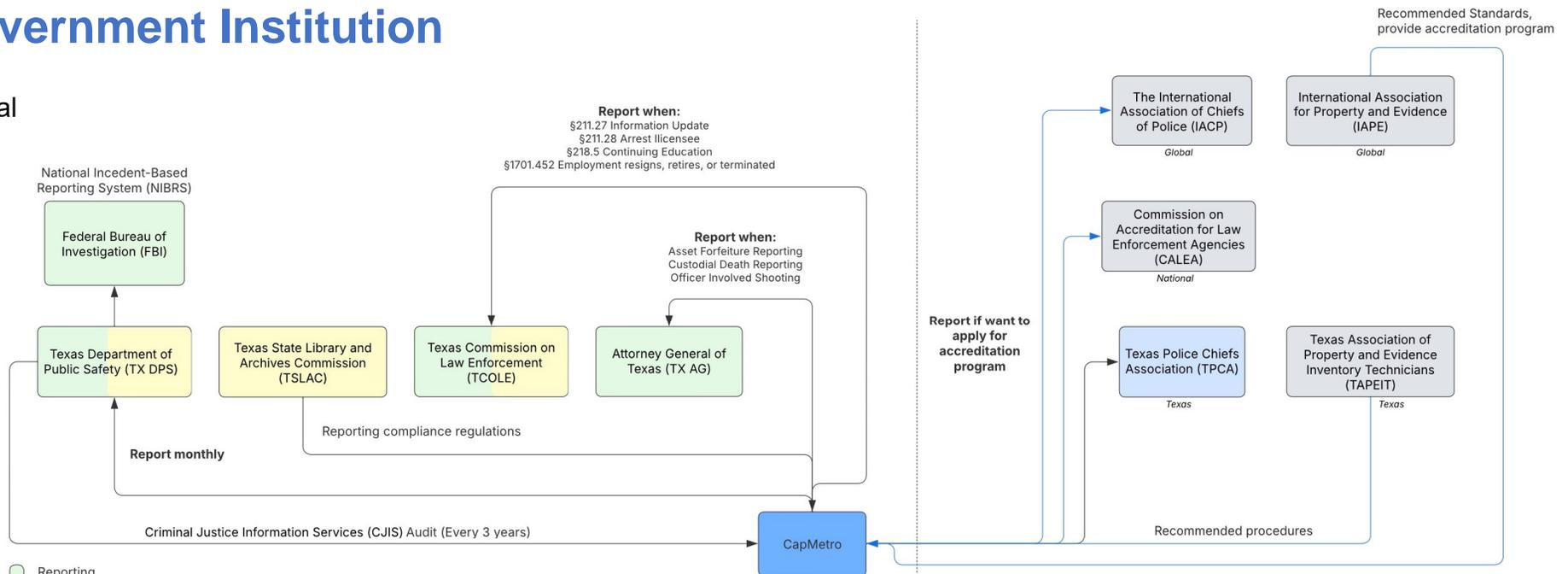
### Left Side: Government Institution

Reporting Structure for Police Department

International

National

Texas



- Reporting
  - Compliance
  - Accreditation
  - Recommendation
- Bold: action by CapMetro**

**Best Practice, not Necessities**

# Deliverables: TCOLE Minimum Standards

To establish that an agency or prospective agency meets the minimum standards for the creation or continued operation of a law enforcement agency, the agency must provide evidence that the agency:

(a)(1) Provides public benefit to the community

(a)(2) Has sustainable funding resources that meet or exceed the continued operating expenses outlined in a line-item budget for agency

(a)(3) Has physical resources available to officers

(A) at least one firearm per officer on duty

(B) at least one less lethal force weapon per officer on duty

(C) effective communication equipment

(D) at least one bullet-proof vest per officer on duty

(E) at least one uniform per officer

(F) at least one motor vehicle owned and insured by an agency created on or after June 1, 2024

(G) patrol vehicles owned, insured, and equipped by the agency and provided to officers

*The management has gone through and ensured compliance*

# Deliverables: TCOLE Minimum Standards

|   |  |
|---|--|
| <p>(a)(4) Has physical facilities including:</p>  | <p>(A) an evidence room or other acceptable secure evidence storage for officers<br/>           (B) a dispatch area for any agency appointing and employing telecommunicators<br/>           (C) a public area including written notices posted and visible 24 hour a day</p>  |
| <p>(a)(5) Has policies, including policies on:</p>  | <p>use of force, vehicle pursuit, professional conduct of officers, domestic abuse protocols, response to missing persons, supervision of part-time officers, impartial policing, medical &amp; psychological examination of licensees, active shooters, barricaded subjects, evidence collection &amp; handling, eyewitness identification, misconduct investigations, hiring a license holder, personnel files, uniform &amp; dress code, training required to maintain licensure, outside &amp; off-duty employment</p> |
| <p>(a)(6) Has an established administrative structure, including:</p>   | <p>(A) an organizational chart for the agency that illustrates the division and assignment of licensed and unlicensed personnel<br/>           (B) a projection for the number of full-time peace officers, part-time peace officers, and unpaid peace officers that the agency would employ during the year if at full staffing</p>   |
| <p>(a)(7) Has liability insurance for the agency and its vehicles</p>   |  |
| <p>(a)(8) Has defined process by which the agency will receive by mail, online, and by phone and document compliments and complaints on its employees</p> |  |

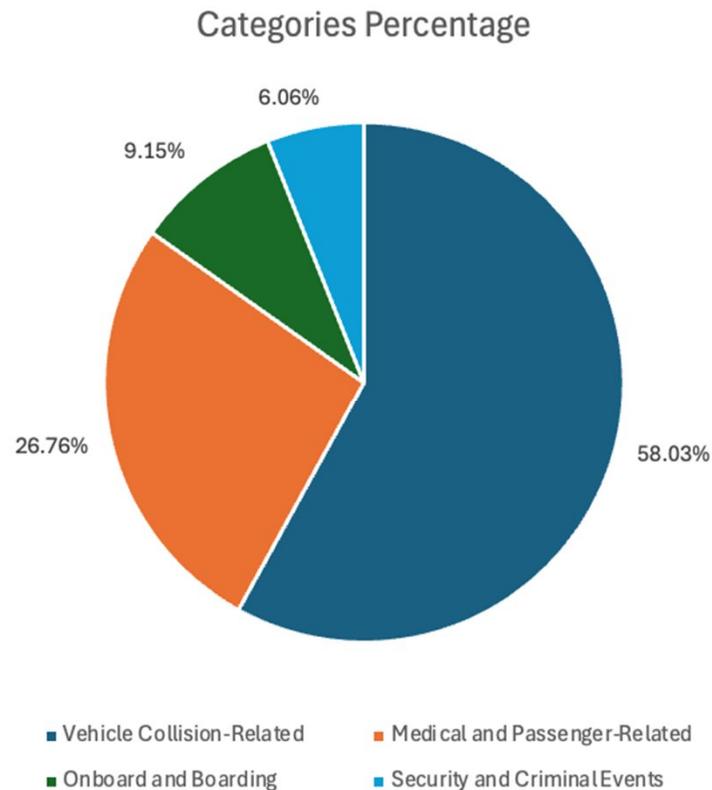
*The management has gone through and ensured compliance*

# Deliverables: Records Control Schedule

|   |   |                              |                  |                |                        |
|---|---|------------------------------|------------------|----------------|------------------------|
|  <b>Capital Metropolitan Transportation Authority</b><br><b>Records Control Schedule</b> | <b>SLR 500</b><br><i>Form SLR 540 must accompany this form.</i> |                              |                  |                |                        |
|   | Page 1 of 37  |                              |                  |                |                        |
| <b>Department: Transit Police (Department Code 143)</b>   |   |                              |                  |                |                        |
| <b>TSLAC Authority</b>  | <b>Record Number</b>  | <b>Title and Description</b> | <b>Retention</b> | <b>Remarks</b> | <b>Retention Notes</b> |

|                                   |                  |   |                             |  |  |
|-----------------------------------|------------------|---|-----------------------------|--|--|
| <b>PS4025-04a</b>                 | <b>AUD15-20A</b> | <b>OPERATIONAL PERMITS AND CERTIFICATIONS</b><br>Granted permits and certifications, and associated documentation.  | <b>Event Date + 3 years</b> | -Event date= Expiration or cancellation + 3 years.<br>-Custodian is the Transit Police department.                   |  |
| <b>GR1025-04c</b>                 | <b>FIN15-10A</b> | <b>BUDGETS AND BUDGET DOCUMENTATION Working Papers</b><br>Working papers created exclusively for the preparation of budgets, including budget requests, justification statements, and similar documents.                | <b>Event Date + 3 years</b> | -Event Date = Calendar year end following creation of the record.<br>-Custodian is the creating CapMetro department. |  |
| <b>GR1025-04d;<br/>GR1025-04e</b> | <b>FIN15-20A</b> | <b>BUDGETS AND BUDGET DOCUMENTATION Reports and Changes</b><br>Encumbrance and expenditure reports (status reports showing expenditures and encumbrances against a budget), budget change documentation, including line | <b>Event Date + 2 years</b> | -Event Date = Calendar year end following creation of the record.<br>-Custodian is the CapMetro Finance Department.  |  |

# General Analysis for TrackIt Data (Oct. - Dec.)



- Vehicle Collision: Code 1.0~4.9
- Medical and Passenger: Code 7.0~7.8A
- Onboard and boarding: Code 5.2~6.8
- Security and Criminal events: Code 8.1~9.2B

# Observations & Recommendations

## Police Department

1. Stay on current course of compliance in relation to standing up police department

## OrbCAD & Trackit Systems

1. Subcode should be a required field in the OrbCAD system
2. Leverage Trackit system for data analytics on accidents.
3. Trackit should flag accidents that are more than 5 days old without ruling and reports attached
4. Create a common denominator/case number to reconcile OrbCAD system to Trackit accident data

**CapMetro**

**Questions?**



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Finance, Audit and Administration Committee

**Item #:** AI-2025-1470

**Agenda Date:** 5/7/2025

---

Executive Finance, Audit and Administration Update - May 2025

*Update on key performance indicators, financial performance, personnel changes, communications and public outreach.*



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

---

Board of Directors

**Item #:** AI-2025-1488

**Agenda Date:** 5/7/2025

---

Memo: Q2 Fiscal Year 2025 Performance Update (May 1, 2025)

**To:** CapMetro Board of Directors  
**From:** Patricia E. Vidaurri, Director of Performance and Strategic Initiatives  
**Date:** May 2, 2025  
**Subject:** Q2 Fiscal Year 2025 Performance Update

The purpose of this memo is to fulfill CapMetro's commitment to providing quarterly agency performance updates to the Board of Directors as a complement to the publicly available dashboards, quarterly financial reports, and standing administrative and operational updates at monthly board and committee meetings.

This memo outlines the agency's performance during the second quarter of the fiscal year (FY) 2025. Staff will discuss Q2 performance during the Operations, Performance and Safety and Finance Board Committee meetings in May. Topics will include a deeper dive into agency performance and our successes, opportunities, and actions.

A correction has been made to the passenger injury target for Rail and Demand Response service. In the Q1 2025 performance memo, staff incorrectly identified the target as .25 injuries/100,000 passengers when the accurate target was 2.5 injuries/100,000 passengers.

In response to requests from the Board of Directors, two new features have been added to this memo:

- 1) A target line has been added to the charts for the FY2025 Performance Scorecard metrics.
- 2) Three new service effectiveness and efficiency metrics have been added:
  - Riders Per Hour (by mode)
  - Cost Per Rider
  - Cost Per Vehicle Hour

These are defined and reported on in the Additional Metrics section, beginning on page 15.

Staff will continue to evaluate our reporting to ensure our performance metrics are aligned with our agency's customer, community, workforce, and organizational effectiveness goals. If you have any questions regarding this memo, please feel free to contact me.

# FY2025 Q2 FYTD Performance Scorecard

The Performance Scorecard reflects CapMetro’s performance through Q2 FY2025.

| Performance Measure  | FY2024 FYTD                       | FY2025 FYTD | FY2025 FYTD Target | % to Target | FYTD YoY Change | FY2025 Full Year Target |
|--|-----------------------------------|-------------|--------------------|-------------|-----------------|-------------------------|
| <b>Ridership</b>   |                                   |             |                    |             |                 |                         |
| Total Ridership  | 12,609,576                        | 13,030,943  | 13,252,664         | 98%         | 3%              | 27,459,113              |
| CapMetro Bus, Rapid, and Express                                 | 12,070,509                        | 12,444,931  | 12,649,893         | 98%         | 3%              | 25,660,687              |
| CapMetro Rail  | 265,224                           | 286,877     | 298,642            | 96%         | 8%              | 610,327                 |
| CapMetro Access  | 273,870                           | 299,154     | 281,538            | 106%        | 9%              | 588,429                 |
| Pickup   | 234,472                           | 274,197     | 274,801            | 100%        | 17%             | 599,670                 |
| <b>On-Time Performance</b>                                       |                                   |             |                    |             |                 |                         |
| CapMetro Bus, Rapid, and Express                                 | 79.5%                             | 78.1%       | 83%                | 94%         | -2%             | 83%                     |
| CapMetro Rail  | 96.4%                             | 90.7%       | 96%                | 94%         | -6%             | 96%                     |
| CapMetro Access  | 95.1%                             | 91.7%       | 92%                | 100%        | -4%             | 92%                     |
| Pickup*  | 70.2%                             | 57.0%       | 92%                | 62%         | -19%            | 92%                     |
| <b>Mean Distance Between Failures (in miles)</b>                 |                                   |             |                    |             |                 |                         |
| CapMetro Bus, Rapid, and Express                                 | 3,735                             | 4,855       | 5,500              | 88%         | 30%             | 5,500                   |
| CapMetro Rail  | 8,362                             | 3,957       | 15,000             | 26%         | -53%            | 15,000                  |
| CapMetro Access  | 10,803                            | 11,978      | 20,000             | 60%         | 11%             | 20,000                  |
| <b>Safety – Preventable Vehicle Collisions per 100,000 miles</b> |                                   |             |                    |             |                 |                         |
| CapMetro Bus, Rapid, and Express                                 | 3.54                              | 3.47        | 2.80               | 81%         | -2%             | 2.80                    |
| CapMetro Rail  | 0.87                              | 1.43        | 1.04               | 73%         | 64%             | 1.04                    |
| CapMetro Access & Pickup   | 1.71                              | 1.66        | 1.70               | 102%        | -3%             | 1.70                    |
| <b>Safety – Passenger Injuries per 100,000 passengers</b>        |                                   |             |                    |             |                 |                         |
| CapMetro Bus, Rapid, and Express                                 | 0.37                              | 0.31        | 0.35               | 113%        | -16%            | 0.35                    |
| CapMetro Rail  | 0.00                              | 0.00        | 2.5                | 100%        | 0%              | 2.5                     |
| CapMetro Access & Pickup   | 0.85                              | 1.65        | 2.5                | 152%        | 94%             | 2.5                     |
| <b>Lost Time (Bus)</b>   | 5.5%                              | 4.3%        | 1.5%               | 35%         | -22%            | 1.5%                    |
| <b>Customer Satisfaction Survey</b>                              | This metric is assessed annually. |             |                    |             |                 | 85%                     |
| <b>Employee Turnover (CapMetro Staff)</b>                        | This metric is assessed annually. |             |                    |             |                 | 18%                     |
| <b>Financial Performance</b>                                     |                                   |             |                    |             |                 |                         |
| Operating Expenditures as % of Budget                            | 44.4%                             | 47.6%       | 49.9%              | 95%         | 7%              | 90%-100%                |
| Capital Expenditures as % of Budget                              | 9.8%                              | 27.0%       | 49.4%              | 55%         | 176%            | 80%-100%                |
| <b>Disadvantaged Business Enterprise (DBE) Utilization</b>       | This metric is assessed annually. |             |                    |             |                 | 22.5%                   |
| <b>Small Business Enterprise (SBE) Commitments</b>               | This metric is assessed annually. |             |                    |             |                 | 22.5%                   |

\*The reliability metric for Pickup is currently being evaluated by CapMetro staff.

# FY2025 Q2 FYTD Performance Scorecard Details

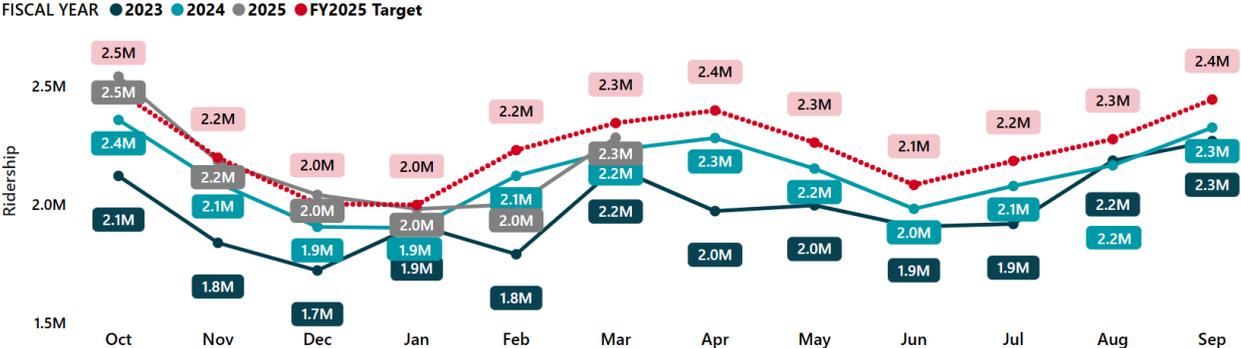
## Ridership

Ridership is the number of passengers utilizing transit service, measured on entrance to and exit from the vehicle. Using automatic passenger counters (APCs), passengers are counted each time they board no matter how many vehicles they use to travel from their origin to their destination.

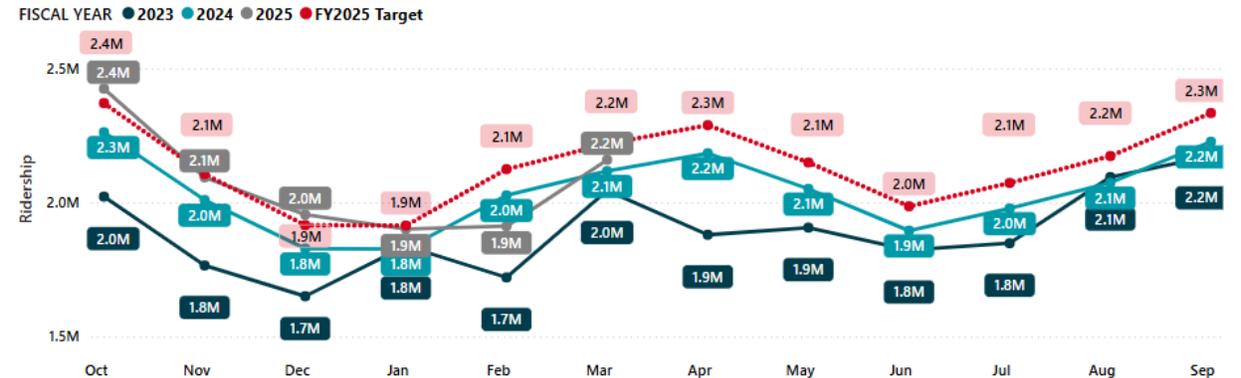
System-wide ridership increased to 13.0 million total boardings as of Q2 FY2025. It reached 98% of the FY2025 goal (13.3 million) and increased 3% compared to the same period in Q2 FY2024 (12.6 million). Growth was driven by strong performance across all services, including CapMetro Bus, Rapid, and Express, CapMetro Rail, CapMetro Access, and CapMetro Pickup.

- CapMetro Bus, Rapid, and Express ridership was 12.4 million as of Q2 FY2025. This was 3% higher than Q2 FY2024 (12.1 million) and 98% of the FY2025 goal (12.6 million).
- CapMetro Rail ridership was 286.9k as of Q2 FY2025. This was 8% higher than Q2 FY2024 (265.2k) and 96% of the FY2025 goal (298.6k).
- CapMetro Access ridership was 299.1k as of Q2 FY2025. This was 9% higher than Q2 FY2024 (273.8k) and met the FY2025 goal (281.5k).
- CapMetro Pickup ridership was 274.2k as of Q2 FY2025. This was 17% higher than Q2 FY2024 (234.5k) and 99.8% of the FY2025 goal (274.8k).

## System-Wide Ridership

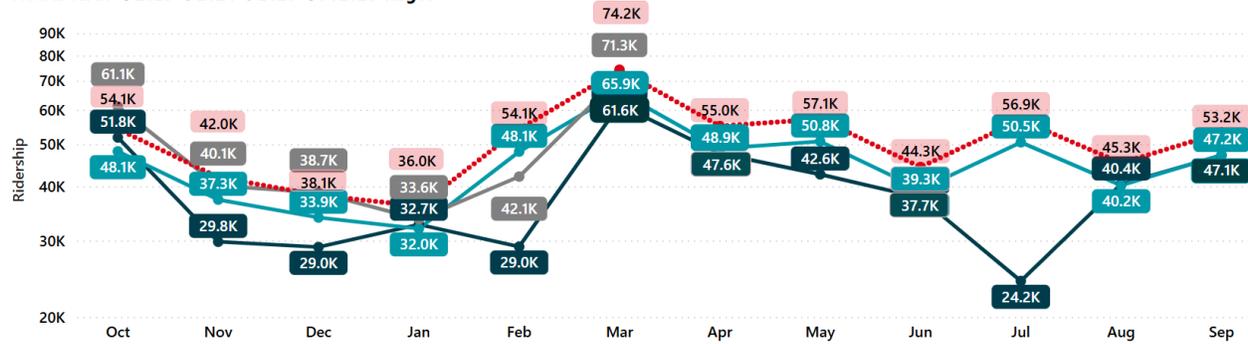


## CapMetro Bus, Rapid, and Express Ridership



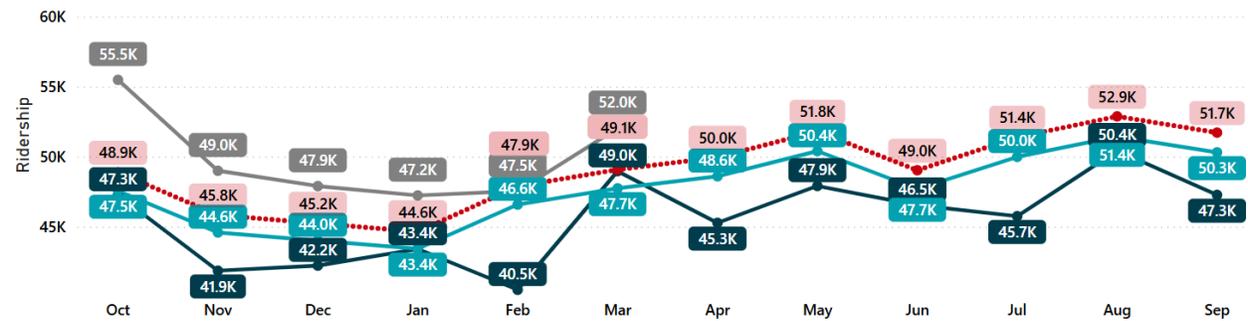
## CapMetro Rail Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



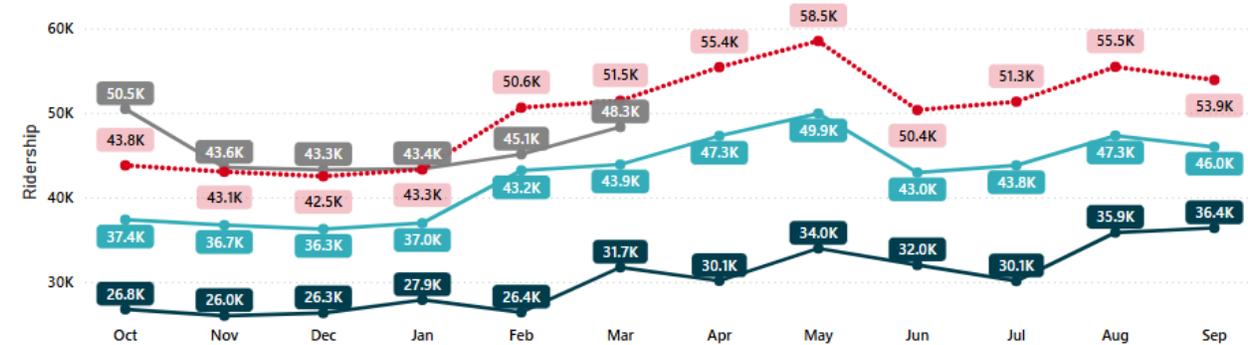
## CapMetro Access Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



## CapMetro Pickup Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



## On-Time Performance

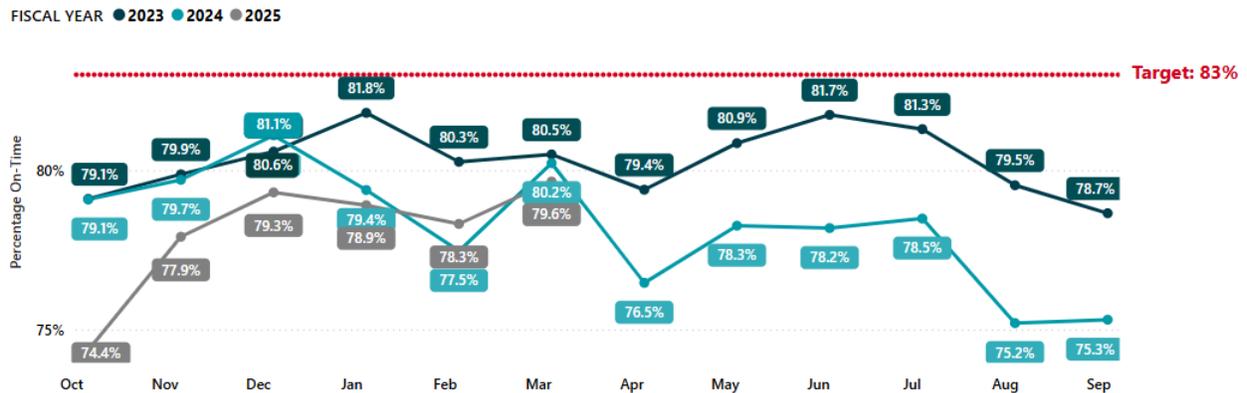
The definition of on-time performance (OTP) varies by mode. For Bus, Express, and Rail, OTP is the percentage of actual departure times that are less than six minutes late and not prior to scheduled departure times. For Rapid lines operating on a headway-based schedule, OTP is the percentage of actual departure times that are less than five minutes or 50 percent of the headway, whichever is less, than the preceding bus. For Access service, OTP is the percentage of vehicles arriving within 15 minutes of the negotiated pick-up time.

For Pickup service, OTP was initially defined as the percentage of trips arriving within 15 minutes of trip request. Despite consistently not meeting the goal, customer ratings for Pickup remain high. Alternative OTP measures for Pickup are being evaluated by CapMetro staff to ensure closer alignment with customer experience.

On-time performance as of Q2 FY2025 was lower than the same period in FY2024 for each service mode. A higher percentage indicates better performance.

- The on-time performance for CapMetro Bus, Rapid, and Express was 78.1% as of Q2 FY2025. This was 2% lower than Q2 FY2024 (79.5%) and 94% of the FY2025 goal (83%).
- The on-time performance for CapMetro Rail was 90.7% as of Q2 FY2025. This was 6% lower than Q2 FY2024 (96.4%) and 94% of the FY2025 goal (96%).
- The on-time performance for CapMetro Access was 91.7% as of Q2 FY2025. This was 4% lower than Q2 FY2024 (95.1%) and met the FY2025 goal (92%).
- The on-time performance for CapMetro Pickup was 57.0% as of Q2 FY2025. This was 19% lower than Q2 FY2024 (70.2%) and 62% of the FY2025 goal (92%).

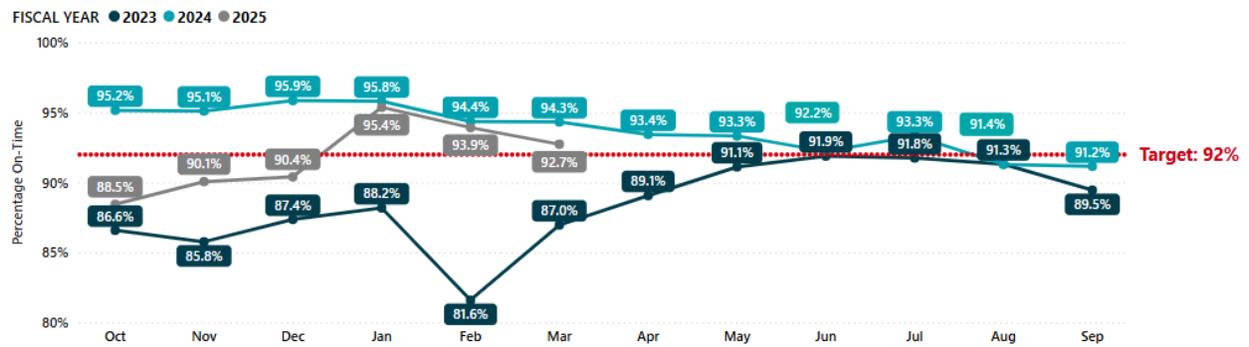
## CapMetro Bus, Rapid, and Express On-Time Performance



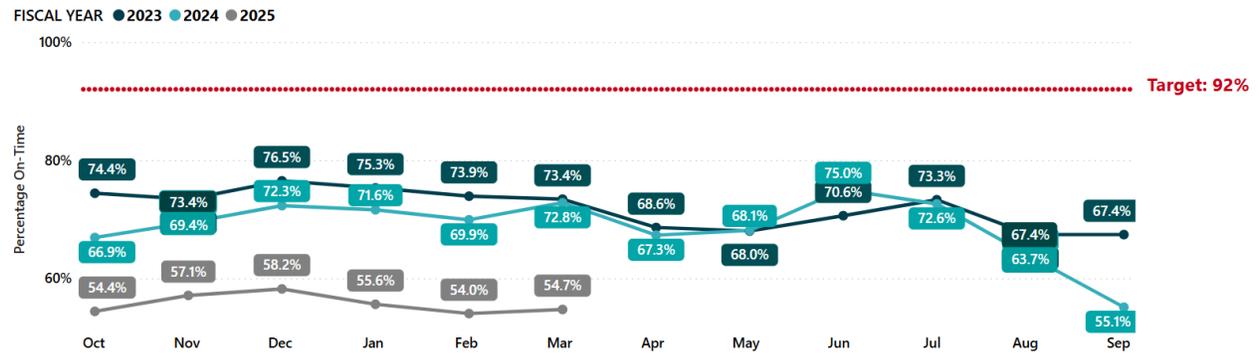
## CapMetro Rail On-Time Performance



## CapMetro Access On-Time Performance



## CapMetro Pickup On-Time Performance



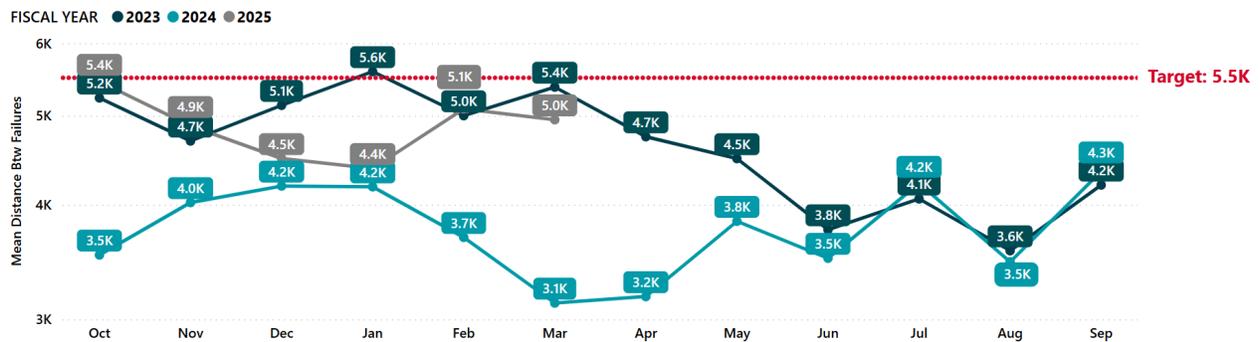
## Mean Distance Between Failures

Mean Distance Between Failures (MDBF) is a reliability metric that measures the mean number of miles traveled between the failure of a mechanical element that prevents the vehicle from completing a scheduled revenue trip or starting the next scheduled revenue trip. It is calculated by dividing the total miles by the number of chargeable road calls for CapMetro Bus, Rapid, and Express, and CapMetro Access, or by the number of mechanical failures for CapMetro Rail.

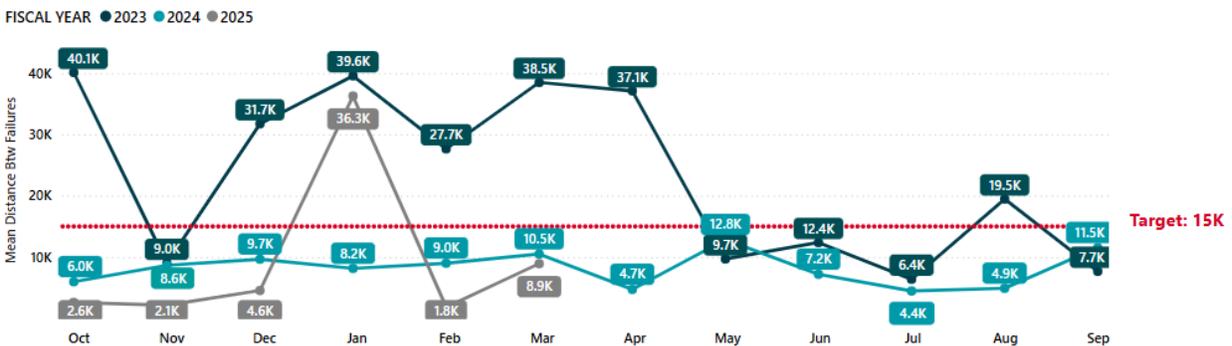
Mean Distance Between Failures performance as of Q2 FY2025 improved year-over-year for CapMetro Bus, Rapid, and Express, and CapMetro Access, but declined for CapMetro Rail. A higher MDBF number indicates better performance.

- The MDBF for CapMetro Bus, Rapid, and Express was 4,855 as of Q2 FY2025. This was 30% higher than Q2 FY2024 (3,735) and 88% of the FY2025 goal (5,500).
- The MDBF for CapMetro Rail was 3,957 as of Q2 FY2025. This was 53% lower than Q2 FY2024 (8,362) and 26% of the FY2025 goal (15,000).
- The MDBF for CapMetro Access was 11,978 in Q2 FY2025. This was 11% higher than Q2 FY2024 (10,803), and 60% of the FY2025 goal (20,000).

## CapMetro Bus, Rapid, and Express Mean Distance Between Failures



## CapMetro Rail Mean Distance Between Failures



## CapMetro Access Mean Distance Between Failures

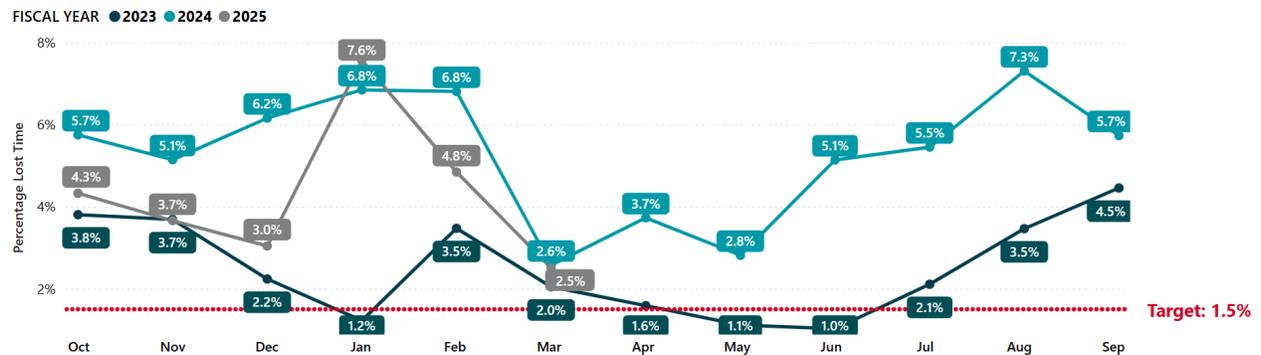


## Lost Time

Lost time is the percentage of revenue service hours for CapMetro Bus, Rapid, and Express that are scheduled but not operated. It is calculated by subtracting Actual Bus Revenue Hours from Scheduled Bus Revenue Hours, then dividing the result by Scheduled Bus Revenue Hours to determine the proportion of scheduled service that was not operated. A lower percentage indicates better performance.

The CapMetro Bus, Rapid, and Express lost time performance was 4.3% as of Q2 FY2025. This was 22% lower than Q2 FY2024 (5.5%) and 35% of the FY2025 goal (1.5%).

## CapMetro Bus, Rapid, and Express Lost Time



## Safety – Preventable Vehicle Collisions per 100,000 Miles

The National Safety Council defines a preventable collision as a collision in which the driver failed to do everything reasonable to avoid it. It measures how often preventable collisions occur relative to miles driven. It is calculated by dividing the total number of preventable collisions by the total miles and then scaling the result to 100,000 miles for standard comparison.

Preventable vehicle collision performance as of Q2 FY2025 improved year-over-year for CapMetro Bus, Rapid, and Express, and CapMetro Access and Pickup, but declined for CapMetro Rail. CapMetro Access and Pickup met the FY2025 goal. A lower rate indicates better performance.

- For CapMetro Bus, Rapid, and Express, the preventable vehicle collision rate was 3.47 as of Q2 FY2025. This was 2% lower than Q2 FY2024 (3.54) and did not meet the FY2025 goal (2.80).
- For CapMetro Rail, the preventable vehicle collision rate was 1.43 as of Q2 FY2025. This was 64% higher than Q2 FY2024 (0.87) and did not meet the FY2025 goal (1.04).
- For CapMetro Access and Pickup, the preventable vehicle collision rate was 1.66 as of Q2 FY2025. This was 3% lower than Q2 FY2024 (1.71) and met the FY2025 goal (1.70).

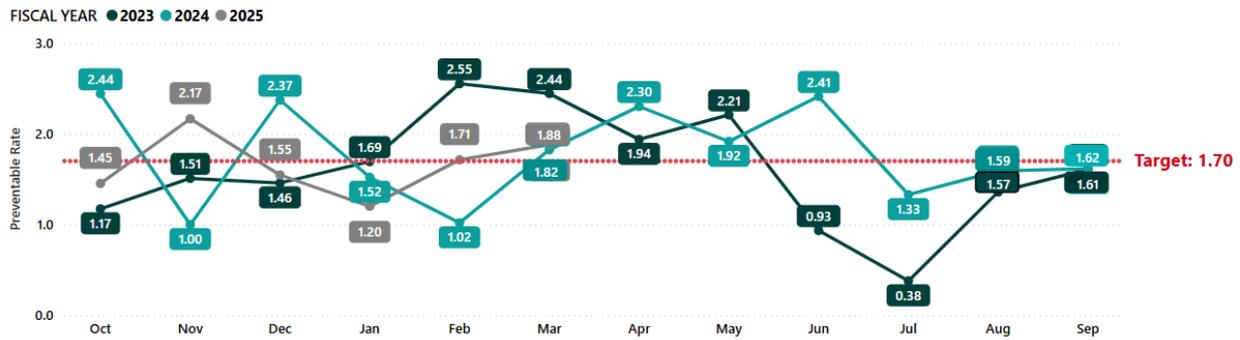
### CapMetro Bus, Rapid, and Express Preventable Vehicle Collisions per 100,000 Miles



### CapMetro Rail Preventable Vehicle Collisions per 100,000 Miles



## CapMetro Access and Pickup Preventable Vehicle Collisions per 100,000 Miles



## Safety – Passenger Injuries NTD Rates

The National Transit Database (NTD) defines injury as any harm to persons as a result of an event that requires immediate medical attention away from the scene. It does not include harm resulting from a drug overdose, exposure to the elements, illness, natural causes, or occupational safety events occurring in administrative buildings. It measures the rate of passenger injuries relative to total ridership. It is calculated by dividing the total number of passenger injuries by the total ridership and then scaling the result to 100,000 for standard comparison.

As of Q2 FY2025, passenger injuries performance improved year-over-year for CapMetro Bus, Rapid, and Express, and CapMetro Rail. All service modes met their FY2025 goals. A lower rate indicates better performance.

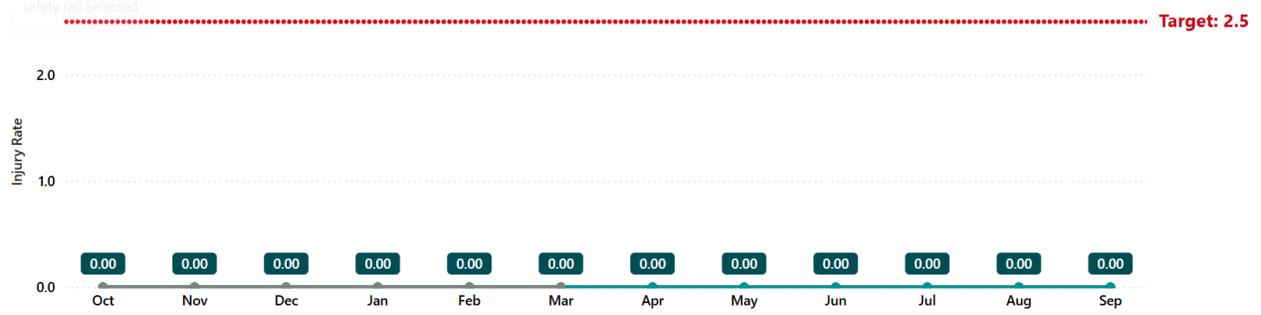
- For CapMetro Bus, Rapid, and Express, the passenger injury rate was 0.31 as of Q2 FY2025. This was 16% lower than Q2 FY2024 (0.37) and met the FY2025 goal (0.35).
- For CapMetro Rail, the passenger injury rate remained at 0.00 as of Q2 FY2025. This was consistent with Q2 FY2024 (0.00) and met the FY2025 goal (2.5).
- For CapMetro Access and Pickup, the passenger injury rate was 1.65 as of Q2 FY2025. This was 94% higher than Q2 FY2024 (0.85) and met the FY2025 goal (2.5).

## CapMetro Bus, Rapid, and Express Passenger Injuries



## CapMetro Rail Passenger Injuries

FISCAL YEAR ● 2023 ● 2024 ● 2025



## CapMetro Access and Pickup Passenger Injuries

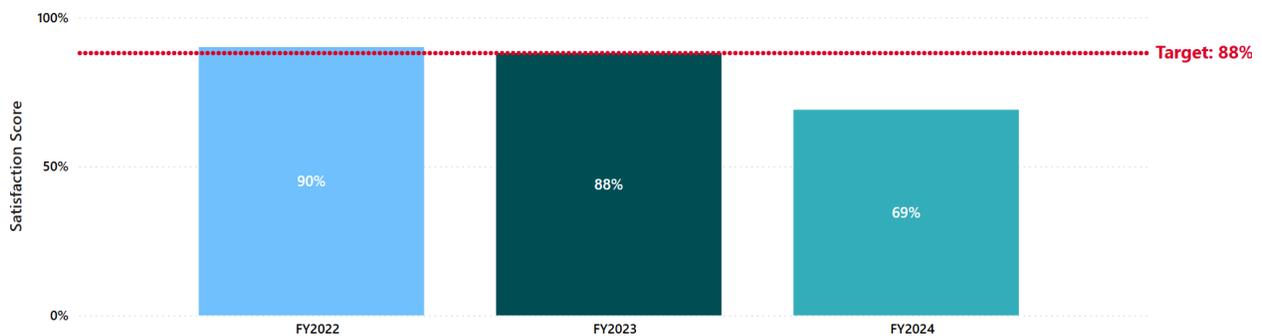
FISCAL YEAR ● 2023 ● 2024 ● 2025



## Customer Satisfaction Survey (Annual Metric)

Customer satisfaction tracks the percentage of CapMetro riders who reported they were satisfied with the agency's services. This measure is collected annually through a customer satisfaction survey. The customer satisfaction survey is conducted annually. This metric is assessed annually. A higher rate indicates a greater level of satisfaction.

FY2024 saw a decrease in overall customer satisfaction on the survey conducted in April 2024. The target is 88%, but the overall customer satisfaction in FY2024 was 69%. This sentiment was driven by a desire for improvements in bus frequency, on-time performance, protection from the weather at stops and stations, and safety from harassment on the vehicle. Each of these elements (service planning, operational improvements, investments in amenities and a focus on public safety) are being actively addressed in FY2025 to better support the riders.



## Employee Turnover (Annual Metric)

The turnover rate is the number of terminations over the average number of employees in a year. This measures turnover for CapMetro employees only. It is calculated by dividing the number of terminations by the average number of employees for the year, where the average is determined by taking the sum of the employee count at the beginning and end of the year and dividing by two. This metric is assessed annually.

In FY2024, the turnover rate was 13.0%, which was lower than the 15.4% in FY2023. Since a lower turnover rate indicates better performance, FY2024 met the goal (18.0%).



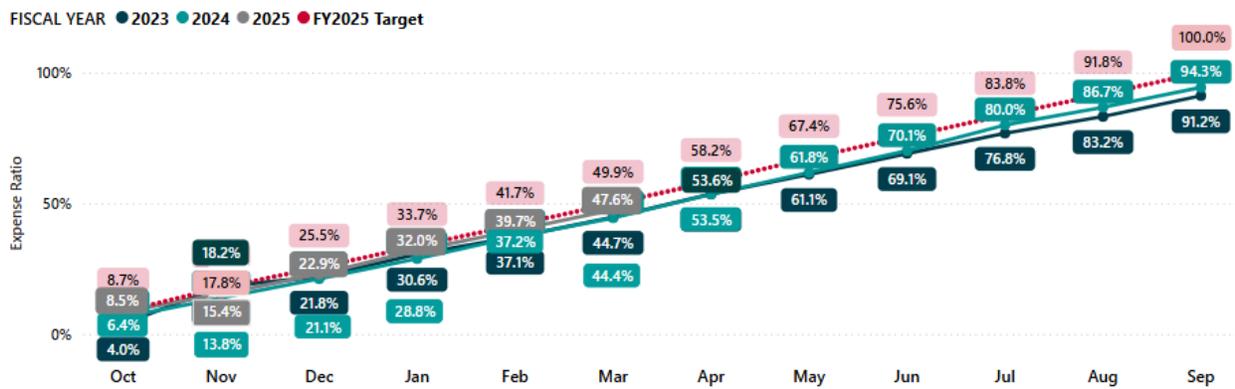
## Financial Performance

The operating expenditures metric measures the percentage of budgeted operating funds that have been actually incurred over a given period. The capital expenditures metric measures the percentage of budgeted capital funds that have been actually incurred over a given period. Both metrics are calculated by dividing the actual expense by budgeted expense to derive the percentage of actual expense to budgeted expense.

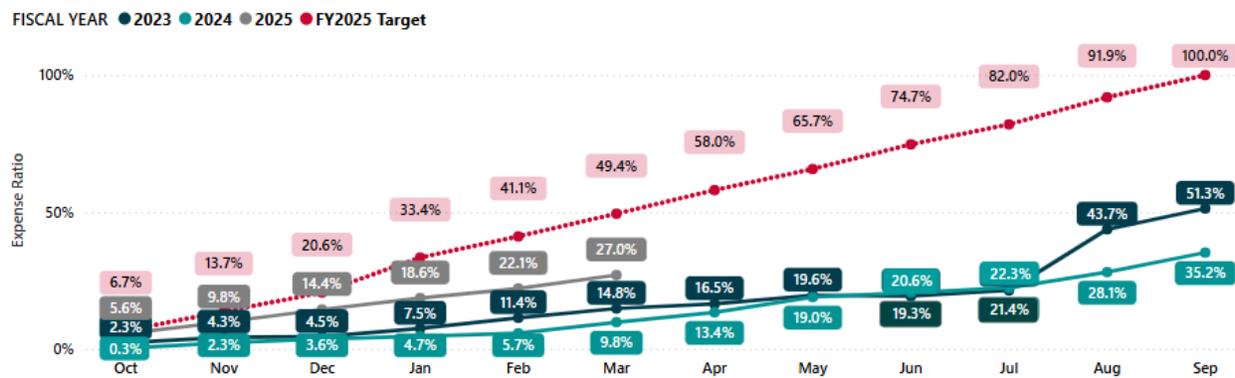
Both metrics improved year-over-year compared to FY2024. The operating expenditure ratio approached the FY2025 goal, while the capital expenditure ratio did not meet the FY2025 goal. A ratio closer to the goal indicates better performance, as it reflects alignment with the planned budget and effective financial management.

- By the end of Q2 FY2025, the operating expenditure ratio was 47.6%. This was 7% higher than the end of Q2 FY2024 (44.4%) and 95% of the Q2 FY2025 goal (49.9%).
- By the end of Q2 FY2025, the capital expenditure ratio was 27.0%. This was 176% higher than the end of Q2 FY2024 (9.8%) and 55% of the Q2 FY2025 goal (49.4%).

## Operating Expenditures



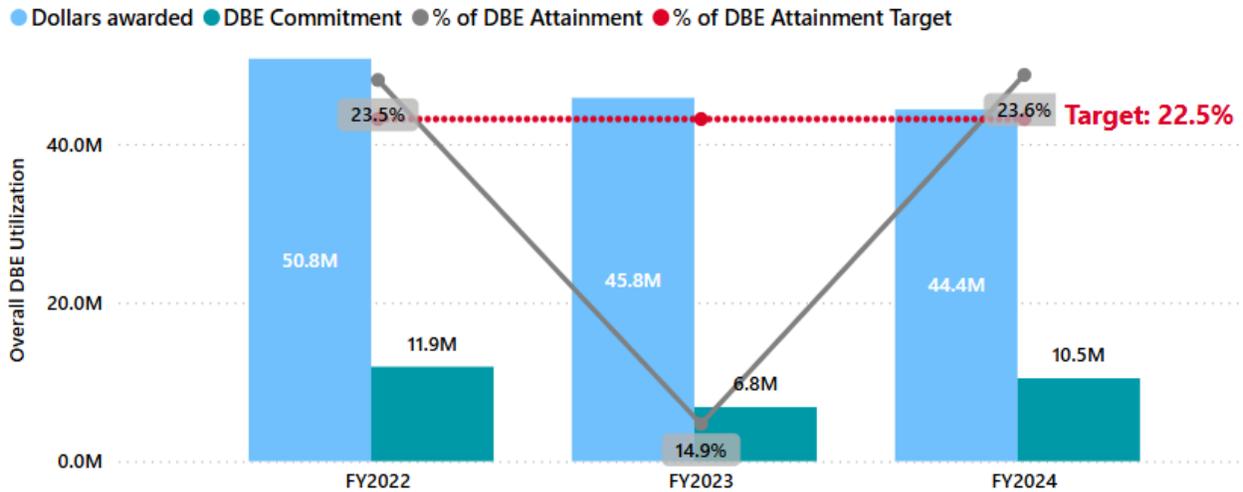
## Capital Expenditures



## Disadvantaged Business Enterprise (DBE) Commitments (Annual Metric)

Total commitments to Disadvantaged Business Enterprises (DBE) for goods and services on contracts with FTA funding. It is calculated by dividing the total DBE commitment by the total awarded contract values to determine the DBE utilization rate. This metric is assessed annually.

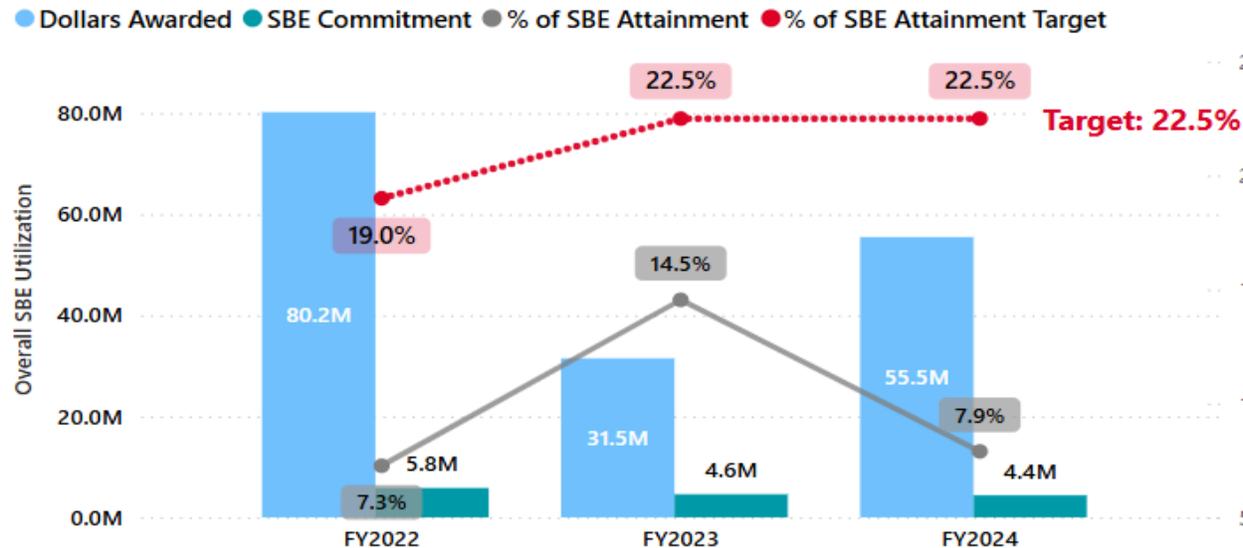
In FY2024, the DBE utilization rate reached 23.6%, exceeding the goal of FY2024 (22.5%). The total dollars awarded to DBEs was \$10.5 million.



## Small Business Enterprise (SBE) Commitments (Annual Metric)

Total commitments to Small Business Enterprises (SBE) for goods and services on contracts with FTA funding. It is calculated by dividing the total SBE commitment by the total awarded contract values to determine the SBE utilization rate. This metric is assessed annually.

In FY2024, the SBE utilization rate was 7.9%, falling short of the goal of FY2024 (22.5%). The total dollars awarded to SBEs was \$4.4 million.



# Additional Metrics

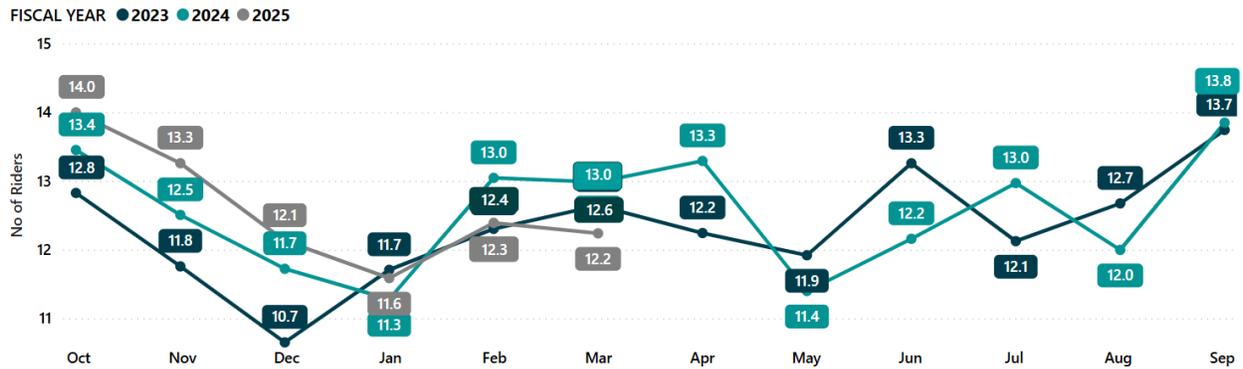
## Riders per Hour

Riders per hour measures passenger capacity effectiveness. It represents the average number of riders transported for each hour of revenue service. It is calculated by dividing total ridership by total vehicle revenue hours over a given period. A higher number indicates better performance.

System-wide riders per hour was 12.6 as of Q2 FY2025. It increased by 1% compared to Q2 FY2024 (12.5). Growth was driven by strong performance across all services.

- CapMetro Bus, Rapid, and Express riders per hour was 16.9 as of Q2 FY2025. This was 2% higher than Q2 FY2024 (16.6).
- CapMetro Rail riders per hour was 26.9 as of Q2 FY2025. This was 12% higher than Q2 FY2024 (24.0).
- CapMetro Access riders per hour was 1.4 as of Q2 FY2025. This was 8% higher than Q2 FY2024 (1.3).
- CapMetro Pickup riders per hour was 3.7 as of Q2 FY2025. This was consistent with Q2 FY2024 (3.7).

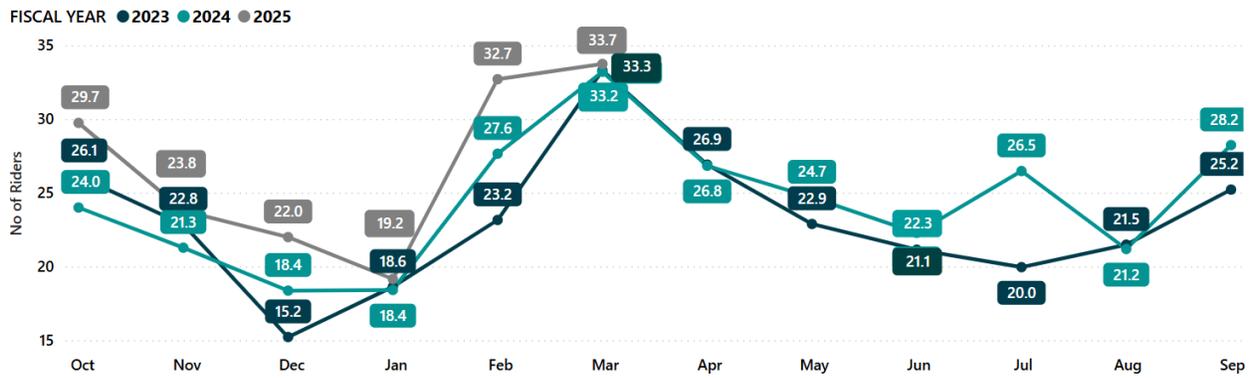
## System-Wide Riders per Hour



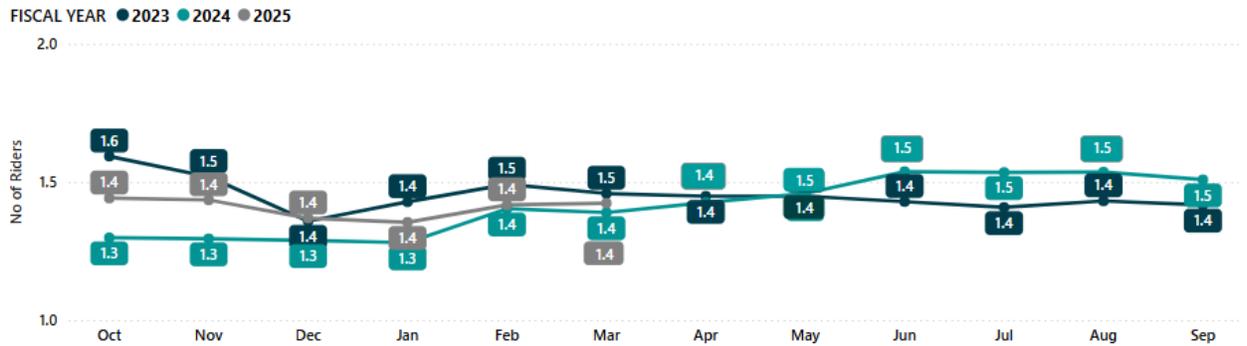
## CapMetro Bus, Rapid, and Express Riders per Hour



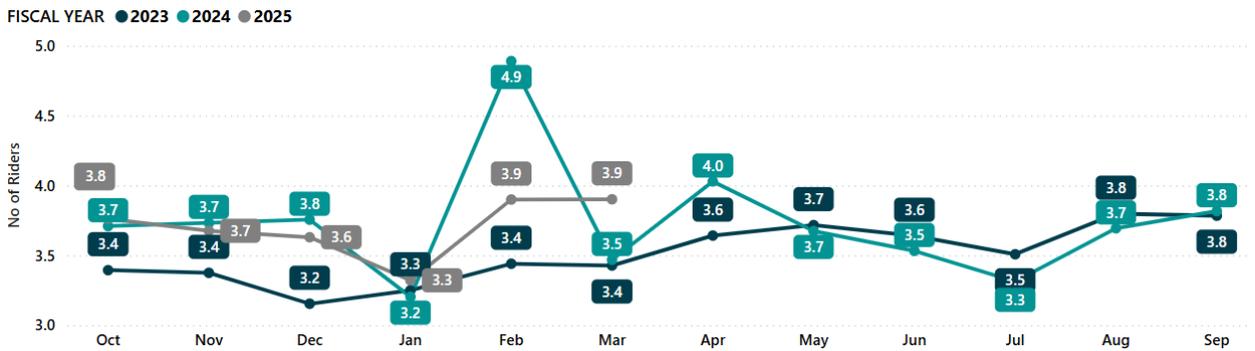
## CapMetro Rail Riders per Hour



## CapMetro Access Riders per Hour



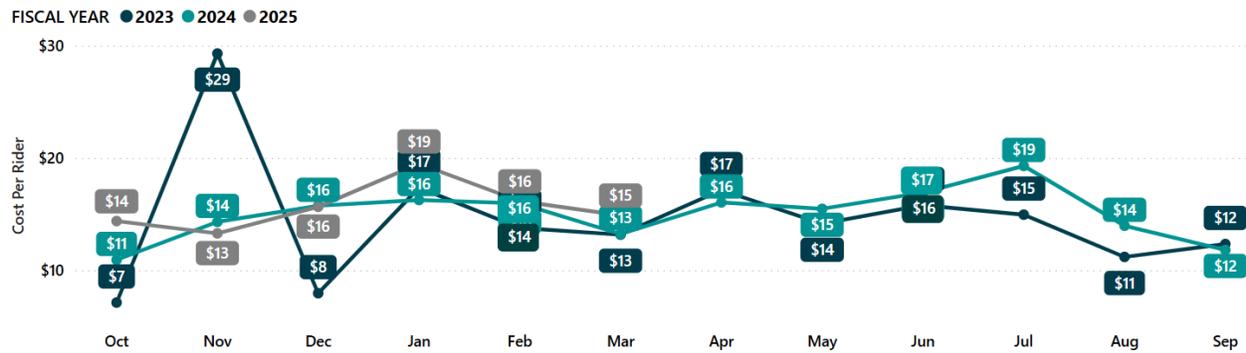
## CapMetro Pickup Riders per Hour



## Cost per Rider

The cost per rider metric is an overall cost efficiency measure of ridership, focusing on how well the agency uses resources to deliver services. It is calculated by dividing total operating expense by system-wide ridership. This includes CapMetro Bus, Rapid, and Express, CapMetro Rail, CapMetro Access, and CapMetro Pickup.

- In FY2023, the average annual system-wide cost per rider was \$14.
- In FY2024, the average annual system-wide cost per rider was \$15.
- As of Q2 FY2025, the average system-wide cost per rider was \$16.



## Cost per Vehicle Hour

The cost per vehicle hour metric is an hourly cost efficiency measure of vehicle service delivery, focusing on how well the agency uses resources to deliver services. It is calculated by dividing total operating expense by system-wide scheduled vehicle hours (including revenue plus deadhead hours). This includes CapMetro Bus, Rapid, and Express, CapMetro Rail, CapMetro Access, and CapMetro Pickup.

- In FY2023, the average annual system-wide cost per vehicle hour was \$174.
- In FY2024, the average annual system-wide cost per vehicle hour was \$190.
- As of Q2 FY2025, the average system-wide cost per vehicle hour was \$196.

